

RESOLUTION NO. 2004-192

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ROCKLIN ACCEPTING THE AUDITED FINANCIAL
STATEMENTS FOR THE FISCAL YEAR 2002-2003

The City Council of the City of Rocklin does resolve as follows:

Section 1. The City Council of the City of Rocklin hereby accepts the audited financial statements for the fiscal year 2002-2003 in the reference attached hereto as Exhibit A and by this reference incorporated herein.

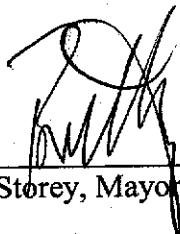
PASSED AND ADOPTED this 22nd day of June, 2004, by the following roll call vote:

AYES: Councilmembers: Hill, Yorde, Lund, Magnuson, Storey

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ABSTAIN: Councilmembers: None



Brett Storey, Mayor

ATTEST:



City Clerk

City of Rocklin

Rocklin, California

*Basic Financial Statements
and Independent Auditors' Report*

For the year ended June 30, 2003

C&L
Caporicci & Larson
Certified Public Accountants

City of Rocklin
Basic Financial Statements
For the year ended June 30, 2003

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
of the City of Rocklin
Rocklin, California

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rocklin, California (City), as of and for the year ended June 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

As described in Note 1 to the basic financial statements, the City adopted statements of the Governmental Accounting Standards Board No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*; No. 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus*; and No. 38, *Certain Financial Statement Note Disclosures*.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplemental information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

To the Honorable Mayor and Members of the City Council
of the City of Rocklin
Rocklin, California

In accordance with Government Auditing Standards, we have also issued a report dated October 10, 2003, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions, law, regulations, contracts, and grants.

The accompanying Required Supplementary Information, such as management's discussion and analysis, budgetary comparison information and other information as listed in the table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

Capricci & Carson

Oakland, California
October 10, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2003

THE FINANCIAL STATEMENTS AND THE REPORTING ENTITY

The Financial Statements

The financial statements presented herein include all of the activities of the City of Rocklin (the City) and its component units using the integrated approach as prescribed by GASB Statement No. 34. The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business type activities separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables. The Fund Financial Statements include statements for each of the three categories of activities - governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting.

The fiduciary activities are agency funds, which only report a balance sheet and do not have a measurement focus. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

The Primary unit of the government is the City of Rocklin and its component units are described as follows:

The Primary Government

The City of Rocklin was incorporated in 1893 under the general laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: Public Safety (Police and Fire), Highways and Streets, Parks, Public Improvements, Planning and Zoning, and General Administrative Services.

The accompanying Comprehensive Annual Financial Report includes the financial activities of the City of Rocklin, the primary government, and its component units, which are the Redevelopment Agency of the City of Rocklin, and the Rocklin Public Financing Authority. Financial information for the City and these component units is accounted for in the accompanying financial statements in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board. The City Council members, in separate session, serve as the governing board of the Redevelopment Agency and the Public Financing Authority, and, as such, these entities are presented on a blended basis.

The Redevelopment Agency of the City of Rocklin (the Agency) was established August 5, 1964 pursuant to the State of California Health and Safety Code, Section 33000, entitled "Community Redevelopment Law" and on November 11, 1975 the City Council became the governing board. The Agency was formed for the purpose of preparing and carrying out plans for improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City of Rocklin. City staff provides management assistance to the Agency. The funds of the Agency have been included in the governmental activities in the financial statements.

The Rocklin Public Financing Authority (the Authority) is a joint powers authority organized under Section 6500 et seq. of the California Government Code on December 13, 1994 between the City and the Agency for the purpose of acting as a vehicle for various financing activities of the City and the Agency. The Authority's Board of Directors is the Rocklin City Council. The funds of the Authority have been included in the governmental activities in the financial statements.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets

The Statement of Net Assets and the Statement of Activities and Changes in Net Assets report information about the City as a whole and about its activities. These statements include *all* assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's *net assets* and changes in them. Net assets are the difference between assets and liabilities, a way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads.

In the Statement of Net Assets and the Statement of Activities and Changes in Net Assets, we distinguish the City's functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges for business-type activities. The activities of these two distinctions are as follows:

Governmental activities—Most of the City's basic services are reported in this category, including the General Government, Fire, Police, Public Works, Community Development, Parks, Recreation and Community Services. Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities.

Business Type activities—The Internal Service-Fleet Fund is the only "business type" activity that the City has, however because it is an "internal service fund" it is reported as a Governmental activity.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental funds—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

Proprietary funds—When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Fund Net Assets. We use internal service funds (a component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities—such as the City's Fleet Operations which includes equipment replacement funds.

Internal Service funds— These are reported with governmental activities in the Government-Wide financial statements.

THE CITY AS TRUSTEE

Reporting the City's Fiduciary Responsibilities

The City is the trustee, or *fiduciary*, for funds held on behalf of several agency funds. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE

A Schedule of Changes in Net Assets of the Primary Government is not presented due to the change in presentation for the current year only. A Schedule of Changes in Net Assets will be presented in future years' reports.

GOVERNMENTAL ACTIVITIES

Net Assets of Governmental Activities for fiscal year ended June 30, 2003 were:

Net Assets

Invested in Capital Assets, Net of Related Debt \$230,166,059

Restricted for:

Capital Projects	\$ 42,956,073
Debt Service	\$ 19,275,683
Other Purposes	\$ 8,676,976

<u>Unrestricted:</u>	\$ 23,491,515
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Total Net Assets	<u>\$ 324,566,306</u>
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The cost of all Governmental activities this year was \$37,935,864. However, as shown in the Statement of Activities on page 7, the amount that our taxpayers ultimately financed for these activities through City taxes was only \$24,412,141 because some of the cost was paid by those who directly benefited from the programs through the City's program revenues, including intergovernmental aid and fees for services which amounted to \$13,523,723. The City's programs include: General Government, Fire, Police, Public Works, Community Development, Parks, Recreation and Community Services. Each program's net cost (total cost less revenues generated by the activities) is presented below. The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities Net (Expense) Revenue

General Government	(\$4,675,915)
Public Safety	(\$8,719,164)
Public Works	(\$2,825,314)
Culture & Recreation	(\$2,368,048)
Community Development	\$3,456,992

A Schedule of Changes in Net Costs of the City's largest programs is not presented due to the change in presentation for the current year only. A Schedule of Changes in Net Costs by program will be presented in future years' reports.

Total resources available during the year to finance governmental operations were \$362,502,170, consisting of Net Assets at July 1, 2002 of \$318,915,865 (as restated), program revenues of \$13,523,723 and General Revenues of \$30,062,582. Total Governmental Activities during the year were \$37,935,864; thus Net Assets were increased by \$5,650,441 to \$324,566,306.

BUSINESS TYPE ACTIVITIES

The Proprietary Fund (Business Type) Activity is the Internal Service Fleet Fund. The activity's net cost (total cost less revenues generated by the activities) was \$57,137. This fund is presented as part of the "Governmental Activities" of the City.

DEBT ADMINISTRATION

Debt, considered a liability of governmental activities, decreased in FY 2002-03 by \$1,146,212 (note 5). Per capita debt outstanding decreased from \$996 to \$905 per capita compared to the prior fiscal year due primarily to population growth and scheduled principal retirement.

Debt of business-type (Internal Service Fund) activities decreased by \$23,198, which was the current year's principal retirement portion of the Fleet Internal Service Fund's capital lease obligation.

Long-Term Debt of Governmental Activities (Note 5) Balance or Issued or Matured Balance

Notes Payable	\$ 850,000
General Obligation Bonds Payable	\$ 1,935,000
Redevelopment Bonds Payable	\$16,375,000
Public Finance Authority Refunding	\$14,100,000
Other Payable (Placer County Pass-Thru)	\$ 183,792
Long-Term Capital Leases Payable	\$ 71,871
Compensated Absences Payable	\$ 908,234
Claims Payable	\$ 2,754,425
Total	<u>\$ 37,178,322</u>

Cash Management To obtain flexibility in cash management, the City employs a pooled cash system (Reference Note 2 in the Notes to the Financial Statements). Under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in certain eligible securities as constrained by law and further limited by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity and yield.

Capital Assets The capital assets of the City are those assets, which are used in the performance of the City's functions including infrastructure assets. At June 30, 2003, net capital assets of the governmental activities totaled \$324,566,306 and the net capital assets of the business-type activities totaled \$2,807,765. Depreciation on capital assets is recognized in the Government-Wide financial statements.

Original Accumulated Book as of June 30th, 2002:

Capital Assets - Governmental Activities

Land	\$ 2,127,748
Buildings	\$11,104,882
Improvements other than Buildings	\$ 1,319,881
Parks	\$15,853,548
Construction in Progress	\$ 2,231,714
Machinery & Equipment	\$ 3,196,301
Total	<u>\$35,834,074</u>

During the year a private asset valuation firm was commissioned to produce a physical inventory of all City assets including infrastructure. Changes resulting from that inventory are summarized as follows:

Capital Assets - Governmental Activities as of June 30th, 2003:

Land	\$ 5,631,541
Buildings	\$ 10,835,947
Other Improvements	\$ 463,439
Machinery & Equipment	\$ 4,175,847
Parks	\$ 27,031,170
Construction in Progress	\$ 9,952,604
Infrastructure	<u>\$248,197,128</u>
Total:	<u>\$306,287,776</u>

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2002-2003 ARE NOTED BELOW:

- Successful annexation of the Whitney Ranch subdivision on May 6, 2003.
- Implementation of a new telephone system.
- Purchase and Implementation of a new Records Management system ("SIRE").
- Began work on widening Rocklin Road from Havenhurst to Aguilar in front of the Sierra College Campus.
- Annexation of the Sierra College campus and surrounding areas on May 1st of 2003.
- Several city street asphalt overlay projects
- Traffic signal installation at Collett Quarry & Park Drive and Pacific Street & Del Mar
- Completed the following neighborhood parks:
 - Wesley Park
 - Ruhkala Park
 - Breen Park
- Continued planning and design work of several city neighborhood parks
- Continued planning and design work on the Rocklin Multi-Modal Rail Station project.
- Continued planning and design work on the new Rocklin Police Station project.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the City Budget for fiscal year 2003/2004 the City Council and management used the following criteria:

The key assumptions in our revenue forecast are:

1. Property tax revenues will increase by 13.6% due to an estimated rise in assessed valuation and general growth.
2. Sales tax revenues will increase by 1.9% as a result of anticipated growth in the retail base.
3. Other tax revenues will increase by 8.0% due to anticipated growth.
4. Interest earnings will decrease by 28.4% due to an anticipated reduction in market interest rates.
5. Approximately 800 new housing units will be constructed.
6. State subventions will be based on a population of 43,155.
7. License and permit fees will decline 27.6% due to an expected decrease in development.
8. Current services revenues from fees will increase 4.9% because of an expected increase in population.

The new items specifically addressed in the budget were new park construction, new City building facilities and several roadway projects

The park construction for fiscal year 2003-2004 is \$2,720,000. Projects include:

- Phase I construction of a community park (Parcel 70 in Phase IV of Stanford Ranch)
- Phase II construction of Lone Tree Park - softball fields
- Construction of the Johnson Springview Park parking lot and tennis court reconstruction, field light upgrades and the purchase of additional playground equipment.
- Picnic shelter at Breen Park.

The facilities construction budget of \$8,381,500 includes the following:

- Partial funding of the new police station
- Funding for Fire Station No. 3 to be located on Sioux Street in Stanford Ranch
- Sunset Center improvements
- Corporation Yard improvements
- Administration Building expansion consisting of enclosing the existing outdoor patio area

The street construction budget of \$14,237,000 consists of:

- \$8,460,000 for street improvement projects including the widening of Pacific Street from the Roseville limit to Sunset Blvd and from Midas to Sierra Meadows; the widening of Rocklin Road from Aquilar to Havenhurst and various citywide street overlays.
- \$5,582,000 for the design work of the Sierra College Interchange and Right-of-Way Acquisition
- \$195,000 for miscellaneous streets projects including the Antelope Creek Crossing.

The City's fiscal year 2004 capital budget designates \$14,237,000 for street construction and maintenance projects. Of this 39% or \$5,582,000 was allocated for the Sierra College/Interstate 80 Interchange project. Major pavement rehabilitation of city streets was allocated 59% or \$8,460,000, and \$195,000 (2%) was allocated for other streets miscellaneous projects.

In fiscal year 2004 \$8,381,500 was allocated for Facilities Capital Construction Projects.

A summary of the City's capital assets is presented in Note 4 to the financial statements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units or need any additional financial information, contact the Finance Division of the Department of Administrative Services at (916) 625-5000.

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BASIC FINANCIAL STATEMENTS

City of Rocklin
Statement of Net Assets
June 30, 2003

	Primary Government Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 31,953,790
Receivables, net	1,037,278
Inventories	80,787
Total current assets	<u>33,071,855</u>
Restricted assets:	
Cash and cash equivalents	68,705,972
Cash, cash equivalents and investments w/fiscal agents	2,136,155
Receivables, net	2,390,534
Due from other governments	290,000
Total restricted assets	<u>73,522,661</u>
Noncurrent assets:	
Capital assets	
Non-depreciable:	
Land	5,631,641
Construction in progress	9,952,604
Depreciable:	
Buildings	10,835,947
Improvements other than buildings	463,439
Machinery and equipment	4,175,847
Parks	27,031,170
Infrastructure	248,197,128
Accumulated depreciation	(49,761,913)
Total capital assets	<u>256,525,863</u>
Total noncurrent assets	<u>256,525,863</u>
Total assets	<u>363,120,379</u>
LIABILITIES	
Current liabilities:	
Accounts payable	1,422,831
Accrued liabilities	1,125,151
Deposits payable	2,414,800
Current portion of long-term liabilities	1,873,061
Total current liabilities	<u>6,835,843</u>
Restricted liabilities:	
Accounts payable	2,326,244
Accrued liabilities	65,165
Compensated absences	38,769
Total restricted liabilities	<u>2,430,178</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations (Note 5)	36,335,836
Total liabilities	<u>45,601,857</u>
NET ASSETS	
Invested in capital assets, net of related debt	<u>223,118,275</u>
Restricted for:	
Capital projects	42,956,073
Debt service	19,275,683
Other purposes	8,676,976
Total	<u>70,908,732</u>
Unrestricted (deficit)	<u>23,491,515</u>
Total net assets	<u>\$ 317,518,522</u>

See accompanying Notes to Basic Financial Statements.

City of Rocklin
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2003

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Primary Government Governmental Activities
Primary government:						
Governmental activities:						
General government	\$ 5,595,717	\$ 896,173	\$ 23,629	\$ -	\$ 919,802	\$ (4,675,915)
Public safety	9,741,536	922,372	100,000	-	1,022,372	(8,719,164)
Public works	2,855,833	30,519	-	-	30,519	(2,825,314)
Culture and recreation	6,626,884	4,247,024	11,812	-	4,258,836	(2,368,048)
Community development	3,835,202	6,448,250	9,970	833,974	7,292,194	3,456,992
Depreciation expense	7,325,183	-	-	-	-	(7,325,183)
Interest on long-term debt	1,955,509	-	-	-	-	(1,955,509)
Total governmental activities	37,935,864	12,544,338	145,411	833,974	13,523,723	(24,412,141)
Total primary government	\$ 37,935,864	\$ 12,544,338	\$ 145,411	\$ 833,974	\$ 13,523,723	(24,412,141)

General revenues:

Taxes:

Property	7,958,175
Sales	5,437,333
Gas	2,363,804
Other	6,261,228
Total	22,020,540

Investment earnings	4,961,299
Miscellaneous	3,080,743

Total general revenues 30,062,582

Change in net assets 5,650,441

Net assets - beginning (as restated) 311,868,081

Net assets - ending \$ 317,518,522

City of Rocklin
Balance Sheet
Governmental Funds
June 30, 2003

	Major Funds				
	General	Public Financing Authority	Traffic Circulation Fees	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 27,618,652	\$ 1,156,862	\$ 19,129,985	\$ 7,902,496	\$ 55,807,995
Receivables (net)	1,037,278	-	-	-	1,037,278
Interest	-	-	-	11,237	11,237
Taxes	-	-	-	570,107	570,107
Loans	-	-	-	1,809,190	1,809,190
Due from other funds	183,751	-	-	-	183,751
Due from other governments	-	-	-	290,000	290,000
Restricted pooled cash and investments	-	14,325,137	-	26,191,492	40,516,629
Cash and investments with fiscal agents	-	-	-	2,136,155	2,136,155
Total assets	\$ 28,839,681	\$ 15,481,999	\$ 19,129,985	\$ 38,910,677	\$ 102,362,342
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,391,587	\$ -	\$ 846,712	\$ 1,479,532	\$ 3,717,831
Accrued liabilities	1,099,945	-	3,049	62,116	1,165,110
Deposits payable	2,414,800	-	-	-	2,414,800
Due to other funds	-	-	-	183,751	183,751
Compensated absences	924,710	-	1,044	37,725	963,479
Total liabilities	5,831,042	-	850,805	1,763,124	8,444,971
Fund balances:					
Reserved for:					
Encumbrances	974,194	-	-	-	974,194
Low and moderate income housing	-	-	-	967,796	967,796
Debt service	-	15,481,999	-	3,793,684	19,275,683
Noncurrent loans and notes receivable	-	-	-	1,751,215	1,751,215
Unreserved, reported in:					
General fund	22,034,445	-	-	-	22,034,445
Special revenue funds	-	-	-	5,957,965	5,957,965
Capital projects funds	-	-	18,279,180	24,676,893	42,956,073
Total fund balances	23,008,639	15,481,999	18,279,180	37,147,553	93,917,371
Total liabilities and fund balances	\$ 28,839,681	\$ 15,481,999	\$ 19,129,985	\$ 38,910,677	\$ 102,362,342

See accompanying Notes to Basic Financial Statements.

City of Rocklin
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
June 30, 2003

Total Fund Balances - Total Governmental Funds \$ 93,917,371

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in Governmental Funds Balance Sheet:

Non-depreciable	15,584,245
Depreciable	287,820,049
Less accumulated depreciation	<u>(49,761,913)</u>

Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet:

Capital leases payable	(71,871)
Claims payable	(2,754,425)
Compensated absences	(908,234)
Certificates of participation	(1,935,000)
Notes payable	(850,000)
Tax allocation bonds	(16,375,000)
Revenue bonds	(14,100,000)
Pass through obligation	<u>(183,792)</u>

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds that are reported with governmental activities.

7,137,092

Net Assets of Governmental Activities \$ 317,518,522

City of Rocklin

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2003

	Major Funds			Other	
	General	Public Financing Authority	Traffic Circulation Fees	Governmental Funds	Total
REVENUES:					
Taxes and assessments	\$ 12,881,252	\$ -	\$ 1,476,010	\$ 5,921,871	\$ 20,279,133
Licenses and permits	2,258,229	-	-	716,048	2,974,277
Fines, forfeitures and penalties	114,139	-	-	-	114,139
Intergovernmental	2,500,246	-	60,410	3,917,798	6,478,454
Use of money and property	1,843,602	858,728	929,038	1,415,907	5,047,275
Charges for services	2,969,736	-	-	1,648,354	4,618,090
Other revenues	665,060	-	3,073,232	137,697	3,875,989
Total revenues	23,232,264	858,728	5,538,690	13,757,675	43,387,357
EXPENDITURES:					
Current:					
General government	4,596,186	14,600	147,925	811,741	5,570,452
Public safety	9,306,568	-	-	113,653	9,420,221
Public works	451,399	-	63,297	2,328,527	2,843,223
Culture and recreation	5,552,974	-	-	1,044,648	6,597,622
Community development	2,481,062	-	822,850	555,786	3,859,698
Capital outlay	1,003,381	-	1,972,724	5,689,600	8,665,705
Debt service:					
Principal	62,170	400,000	-	640,000	1,102,170
Interest and fiscal charges	10,494	875,867	-	1,069,148	1,955,509
Total expenditures	23,464,234	1,290,467	3,006,796	12,253,103	40,014,600
REVENUES OVER (UNDER) EXPENDITURES	(231,970)	(431,739)	2,531,894	1,504,572	3,372,757
OTHER FINANCING SOURCES (USES):					
Transfers in	3,905,056	135,000	-	572,900	4,612,956
Transfers out	(917,574)	-	(459,557)	(3,220,052)	(4,597,183)
Total other financing sources (uses)	2,987,482	135,000	(459,557)	(2,647,152)	15,773
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	2,755,512	(296,739)	2,072,337	(1,142,580)	3,388,530
FUND BALANCES:					
Beginning of year as previously reported	20,358,203	15,778,738	16,206,843	38,238,319	90,582,103
Prior period adjustment	(105,076)	-	-	51,814	(53,262)
Beginning of year, as restated	20,253,127	15,778,738	16,206,843	38,290,133	90,528,841
End of year	\$ 23,008,639	\$ 15,481,999	\$ 18,279,180	\$ 37,147,553	\$ 93,917,371

See accompanying Notes to Basic Financial Statements.

City of Rocklin

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Government-Wide Statement of Activities and Changes in Net Assets For the year ended June 30, 2003

Net Change in Fund Balances - Total Governmental Funds	\$ 3,388,530
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Government-wide Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	8,665,705
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance.	(7,325,183)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.	
Principal payment	864,252
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net (expense) of the internal service funds is reported with governmental activities.	57,137
Change in Net Assets of Governmental Activities	<u>\$ 5,650,441</u>

City of Rocklin

Balance Sheet

Proprietary Fund - Governmental Activities - Fleet Internal Service Fund

June 30, 2003

ASSETS

Cash and cash equivalents	\$ 4,335,138
Investments	-
Receivables (net)	-
Inventory	80,787
Property, plant and equipment, net	2,883,482
Total assets	\$ 7,299,407

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 31,244
Accrued payroll	25,206
Current portion of long-term debt	25,652
Compensated absences	30,148
Long-term debt	50,065
Total liabilities	162,315

Net Assets:

Invested in capital assets, net of related debt	2,807,765
Unrestricted	4,329,327
Total net assets	7,137,092
Total liabilities and net assets	\$ 7,299,407

City of Rocklin

Statement of Revenues, Expenses, and Changes in Retained Earnings Proprietary Fund - Governmental Activities - Fleet Internal Service Fund For the year ended June 30, 2003

OPERATING REVENUES:

Charges for sales and services	\$ 1,588,792
Total operating revenues	<u>1,588,792</u>

OPERATING EXPENSES:

Salaries and benefits	546,510
Services and supplies	537,635
Depreciation	<u>630,685</u>
Total operating expenses	<u>1,714,830</u>

OPERATING (LOSS) (126,038)

NONOPERATING REVENUES (EXPENSES):

Interest income	191,438
Gain on sale of assets	<u>7,510</u>
Total nonoperating revenues (expenses)	<u>198,948</u>

INCOME BEFORE OPERATING TRANSFERS 72,910

OPERATING TRANSFERS:

Operating transfers out	<u>(15,773)</u>
Total operating transfers	<u>(15,773)</u>
Change in net assets	<u>57,137</u>

RETAINED EARNINGS:

Beginning of year	6,147,589
Prior period adjustments (Note 14)	<u>932,366</u>
Beginning of year, as restated	<u>7,079,955</u>
End of year	<u>\$ 7,137,092</u>

City of Rocklin

Statement of Cash Flows

Proprietary Fund - Governmental Activities - Fleet Internal Service Fund

For the year ended June 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES:

Operating loss	\$ (126,038)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Prior period adjustments	-
Depreciation	630,685
Changes in current assets and liabilities:	
Accounts receivable	1,800
Interest receivable	-
Inventory	5,738
Accounts payable	9,661
Accrued payroll	5,319
Compensated absences	1,879
Net cash provided by operating activities	<u>529,044</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Capital Contribution received	36,230
Operating transfers out	<u>(15,773)</u>
Net cash provided by noncapital financing activities	<u>20,457</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets	-
Gain on sale of fixed assets	7,510
Principal payment of long-term debt	<u>(43,083)</u>
Interest paid	<u>(4,585)</u>
Net cash (used) by capital and related financing activities	<u>(40,158)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest received on investments	<u>191,438</u>
Net cash provided by investing activities	<u>191,438</u>
Net increase in cash	700,781

CASH AND INVESTMENTS:

Beginning of year	<u>3,634,357</u>
End of year	<u>\$ 4,335,138</u>

City of Rocklin
Statement of Net Assets
Fiduciary Funds - Agency Funds
June 30, 2003

ASSETS

Pooled cash and investments	\$ 1,376,772
Restricted pooled cash and investments	724,391
Cash and investments with fiscal agents	10,197,368
Accounts receivable	15,784
Interest receivable	(1,800)
Taxes receivable	93,945
Grants receivable	10,062
Total assets	\$ 12,416,522

LIABILITIES

Accounts payable	\$ 100,136
Accrued payroll	19,815
Due to others	12,296,571
Total liabilities	\$ 12,416,522

City of Rocklin

Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual - General Fund

For the year ended June 30, 2003

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Taxes and assessments	\$ 12,870,700	\$ 12,870,700	\$ 12,881,252	\$ 10,552
Licenses and permits	2,536,900	2,536,900	2,258,229	(278,671)
Fines and forfeitures	70,700	70,700	114,139	43,439
Intergovernmental	2,292,500	2,292,500	2,500,246	207,746
Use of money and property	921,000	921,000	1,843,602	922,602
Charges for services	2,710,600	2,710,600	2,969,736	259,136
Other revenues	489,500	489,500	665,060	175,560
Total revenues	21,891,900	21,891,900	23,232,264	1,340,364
EXPENDITURES:				
Current:				
General government	4,321,500	4,321,500	4,596,186	(274,686)
Public safety	9,768,000	9,937,400	9,306,568	630,832
Public works	628,200	628,200	451,399	176,801
Culture and recreation	6,132,300	6,132,300	5,552,974	579,326
Community development	2,985,700	2,985,700	2,481,062	504,638
Capital outlay	1,450,900	1,484,300	1,003,381	480,919
Debt service:				
Principal	44,300	44,300	62,170	(17,870)
Interest	7,500	7,500	10,494	(2,994)
Total expenditures	25,338,400	25,541,200	23,464,234	2,076,966
REVENUES OVER (UNDER) EXPENDITURES	(3,446,500)	(3,649,300)	(231,970)	3,417,330
OTHER FINANCING SOURCES (USES):				
Operating transfers in	3,460,400	3,460,400	3,905,056	444,656
Operating transfers out	(375,000)	(375,000)	(917,574)	(542,574)
Total other financing sources (uses)	3,085,400	3,085,400	2,987,482	(97,918)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES				
	\$ (361,100)	\$ (563,900)	2,755,512	\$ 3,319,412
FUND BALANCES:				
Beginning of year			20,358,203	
Prior period adjustment			(105,076)	
Beginning fund balance, as restated			20,253,127	
End of year			\$ 23,008,639	

See accompanying Notes to Basic Financial Statements.

City of Rocklin

Index to Notes to Basic Financial Statements

For the year ended June 30, 2003

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NOTES TO BASIC FINANCIAL STATEMENTS

City of Rocklin
Notes to Basic Financial Statements
For the year ended June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Rocklin, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Governmental Activities

The City reports the following governmental activities:

General Government - These services are those that are associated with the general administration of the government. These services are primarily provided by the following offices/departments: City Council, City Manager, City Attorney, City Clerk, Finance, Human Resources, Fleet Vehicle Operations and Information Systems. These divisions provide services that support external as well other internal government functions of the City.

Public Safety - Police - The Police Department is responsible for the safeguarding of citizens' lives and property, the preservation of constitutional rights, and neighborhood problem solving. These services also include the animal shelter and jail bookings.

Public Safety - Fire - The Fire Department is responsible for providing fire and life safety emergency services in Rocklin. Services include emergency response, paramedic services, public education and emergency preparedness training.

Community Services & Facilities - The Community Services & Facilities Department (CS&F) offers a range of Services that include both performing and visual arts, youth and adult sports, youth and early childhood enrichment programs, public park services, and management of the community centers, special facilities, and historic sites, services to the community, including a senior center and a teen activities center. This department is also responsible for maintenance of the City's capital assets and infrastructure, such as public buildings, parks, streets and landscape districts.

Community Development - These services are provided by the Community Development Department and include community planning, engineering, code enforcement, building permit and inspection services, and environmental services that enhance and preserve a high quality living environment within the City.

Intergovernmental - These expenditures represent payments to other governmental agencies made by the Redevelopment Agency in accordance with pass-through fiscal agreements with those local taxing authorities.

City of Rocklin

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Reporting Entity

The City of Rocklin (City) was incorporated under the General Laws of the State of California and enjoys all the rights and privileges pertaining to such "General Law" cities. The City uses the City Council/Manager form of government. The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government's exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The following is a brief overview of the component units included in the accompanying Basic Financial Statements of the City. Financial information for these component units can be obtained from the City's Finance Division.

Redevelopment Agency of the City of Rocklin

The Redevelopment Agency (Agency) was established pursuant to the State of California Health and Safety Codes, Section 33000, entitled "Community Redevelopment Law." Its purpose is to prepare and carry out plans for the improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City. The Agency is reported in the Special Revenue, Debt Service and Capital Projects funds of the City.

Public Financing Authority of the City of Rocklin

The Rocklin Public Financing Authority (Authority) was formed on December 13, 1994, through a Joint Powers Agreement between the City of Rocklin and the Redevelopment Agency of the City of Rocklin. The Authority was formed to finance the construction of public infrastructure and capital improvements. The Authority is reported as a Debt Service fund of the City.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component units' board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The Agency and Authority have been accounted for as "blended" component units of the City. Despite being legally separate, these entities are so intertwined with the City that they are, in substance, part of the City's operations. Accordingly, the balances and transactions of these component units are reported within the funds of the City.

City of Rocklin

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Reporting Entity, Continued

The following specific criteria were used in determining that the Agency and Authority were blended component units:

- The members of the City Council also act as the governing bodies of the Agency and the Authority.
- The Agency and Authority are managed by employees of the City. A portion of the City's salary and overhead expenses are billed to the Agency and Authority each year.
- The City, the Agency, and the Authority are financially interdependent. The City makes loans to the Agency to use for redevelopment purposes and to the Authority for debt issuance. Property tax and other revenues of the Agency and Authority are used to repay the loans to the City.

Detailed financial statements are available for the above component units from the City's Finance Division.

B. Basis of Accounting and Measurement Focus

Government-Wide Financial Statements

The City's government-wide financial statements include a "Statement of Net Assets" and a "Statement of Activities and Changes in Net Assets." These statements present summaries of governmental activities for the City. Fiduciary activities of the City are not included in these statements. These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated. The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect), as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure. The City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

City of Rocklin

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and aggregated non-major funds. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The City has presented all major funds that meet the criteria prescribed in GASB Statement No. 34. Under this requirement an emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and,
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The City reports the following major governmental funds:

General Fund - This fund is the City's primary operating fund. It accounts for all financial resources and outlays of the general government. The fund receives the City's discretionary funding sources (e.g., property tax, sales tax, charges for services, etc.) and uses its resources for the general operations of the City (e.g., police, fire, general government) not accounted for in other funds.

Public Financing Authority - This fund accounts for the activities of the Rocklin Public Financing Authority. This is a joint powers authority organized by the City of Rocklin (City) and the Rocklin Redevelopment Agency (Agency) December 13, 1994, under the laws of the State of California. The Authority was organized to provide financial assistance to the City and Agency for public improvements for the benefit of the residents of the City and the surrounding areas.

Traffic Circulation Impact Fees - This fund accounts for impact fees levied and utilized to finance the construction of public infrastructure and capital improvements in order to service new development.

City of Rocklin

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally received within 60 days after year-end) are recognized when due. The primary revenue sources that have been treated as susceptible to accrual by the City are property tax, sales tax, special assessments, intergovernmental revenues, other taxes, interest revenue, rental revenue and certain charges for services. Fines, forfeitures and licenses and permits are not susceptible to accrual because they are usually not measurable until received in cash. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures or when monies are received before the related services are performed. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The reconciliations of the fund financial statements to the government-wide financial statements are provided to explain the differences between the integrated approach of GASB Statement No. 34 and the traditional approach of fund accounting.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows for all proprietary funds.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included in the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which the liability is incurred. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The City reports the following proprietary fund:

Internal Service Fund - This fund accounts for the Fleet services provided to other departments or agencies of the government on a cost reimbursement basis. Internal service fund balances and activities have been combined with governmental activities in the government-wide financial statements.

City of Rocklin

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Fiduciary Fund Financial Statements

Fiduciary fund financial statements consist of a Statement of Net Assets. The City's fiduciary fund represents agency funds, which are custodial in nature and do not involve measurement of results of operations. The agency funds use the accrual basis of accounting.

The City reports the following agency funds:

Health & Safety - This fund represents the City of Rocklin's portion of assets forfeited and distributed under the Health & Safety Code Section 11489 by the Rocklin Police Department.

Preschool Mothers Trust - This fund was established to account for various fund raising activities in support of preschool programs within the City.

Kids Junction - This fund was established to account for private donations to support the Kids Junction daycare program.

Swimming Pool Capital Trust - This fund was established to pay for repair & maintenance costs of the Rocklin High School pool since the City uses it for its Aquatics programs.

Creative & Performing Arts - This fund accounts for private donations and fund raising activities that support the theatre programs of the City.

Consultation Funds - This fund serves to mitigate the costs of Environmental Impact studies and other services required for proposed construction projects by collecting fees from developers and using those monies to pay for the consultant services.

Rocklin Jubilee - This fund is used to account for all revenues & expenditures associated with the Annual Rocklin Jubilee celebration held at Johnson-Springview Park.

Park Improvement Trust - This fund was set up to provide for repairs and maintenance of city parks.

Traffic Safety - This fund represents all grants and State allocations specific to the Rocklin Police Department.

D.A.R.E. - This fund supports the Drug Awareness Reinforcement Education program provided by the Rocklin Police Department.

Explorer Post 150 - This fund is used to pay for the Rocklin Police Department's Explorer program.

Fire Prevention Education - This fund is used to account for fund-raising activities and private donations given for the purpose of providing fire and safety education programs.

City of Rocklin

Notes to Basic Financial Statements, Continued For the year ended June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

ADA Superfund - This fund receives 2% of specific recreation program revenues in order to provide funding to construct access facilities for handicapped persons in public areas.

Mello-Roos Special Assessment Districts - The following funds account for the special assessment bonds issued by local improvement districts under the Mello-Roos public improvement acts. Property owners are assessed their proportionate share, and the City acts as an agent in collecting the assessments from the property owners, forwarding the collections to bondholders: CFD#2, CFD#3, CFD#4, CFD#6, CFD#7, CFD#8 and CFD#9.

Granite Drive Assessment District - This fund provides for the debt service payment requirements on bonds issued under the 1915 Improvement Act Bonds, Division 11.5 of the Streets and Highways Code of California.

Monte Verde Assessment District - This fund provides for the debt service payment requirements on bonds issued under the 1915 Improvement Act Bonds, Division 11.5 of the Streets and Highways Code of California.

Community Facilities Dist #5 - This fund generates tax revenues levied to property owners in order to provide for the operations of a specific landscape maintenance district.

Wetlands Maintenance Trust - This fund holds invested monies in trust and uses the investment earnings to pay for annual maintenance of wetland areas within the City.

Boroski Landfill Monitoring Trust - This fund was set up to provide for the maintenance and monitoring of a non-operational landfill within the City.

Youth Sports Trust - This fund accounts for the youth sports program fundraisers and is used to provide sports activities throughout the year.

Misc. Recreation Trust Fund - This fund accounts for the Teen Program fundraisers and is used for various teen activities throughout the year.

Park Repair & Development Trust - This fund was set up to provide a funding mechanism for park repairs and maintenance and to set-aside private donations specifically marked for such improvements.

Senior Programs Trust - This fund accounts for private donations as well as monies generated by fundraising activities for used to support Rocklin Senior programs.

City of Rocklin

Notes to Basic Financial Statements, Continued For the year ended June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Measurement Focus

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus. Accordingly, only current assets and current liabilities generally are included on the balance sheets. Operating statements of governmental funds present increases (revenues and other financial sources) and decreases (expenditures and other financial uses) in net current assets.

All Governmental and Fiduciary Fund Types are accounted for using the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. Revenues considered susceptible to accrual include property taxes collected generally within 60 days of year-end, charges for services, federal and state grants, sales taxes and interest. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for principal and interest on general long-term debt which is recognized when due.

All Proprietary Fund Types are accounted for on a flow of "*economic resources*" measurement focus, meaning that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Reported fund equity (net assets) is segregated into contributed capital and retained earnings components. Operating statements of the Proprietary Fund Types present increases (revenues) and decreases (expenses) in net assets.

Proprietary Fund Types are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and expenses are recognized in the accounting period incurred.

D. Accounting Standards

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary and Other Governmental Entities That Use Proprietary Fund Accounting*, the City has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989.

E. Budgetary Policies

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- Public meetings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
- The City Manager is authorized to transfer budgetary amounts within a single fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

City of Rocklin

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Budgetary Policies, Continued

- Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all Governmental and Fiduciary Fund types.
- Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2003, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
- Budgeted revenue and expenditure amounts represent the original budget modified by adjustments authorized during the year. The City Manager must approve adjustments to departmental budgets; however, management may amend the budgeted amounts within departmental expenditure classifications
- Appropriations lapse at the end of the fiscal year and then are re-budgeted for the coming year.
- Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level.

F. Cash and Investments

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund, "LAIF", which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City and are presented as "Pooled Cash and Investments" in the accompanying Basic Financial Statements.

City of Rocklin

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Property, Plant and Equipment

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. Fixed assets acquired or constructed for proprietary funds are capitalized in their respective individual funds. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the City.

Depreciation of property and equipment is provided using the straight-line method over the following estimated useful lives:

Building and structures	30 years
Improvements	15 years
Equipment, machinery and vehicles	3 - 10 years

Depreciation of all exhaustible property and equipment used by the proprietary funds is charged as an expense against operations. No interest costs were capitalized during the fiscal year. The City has elected not to depreciate the assets in the General Fixed Assets Account Group. The City has elected not to charge depreciation expense on contributed assets to the related contributed capital account.

H. Long-Term Liabilities

Liabilities for long-term debt are recognized as a liability of a governmental fund when due. For other long-term obligations, only the portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of the obligation is reported in the General Long-Term Debt Account Group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

City of Rocklin

Notes to Basic Financial Statements, Continued For the year ended June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Compensated Absences

City employees have vested interests in varying levels of vacation, sick leave and compensatory time. If sick leave and vacation is not used by the employee during the term of employment, compensation is payable to the employee at the time of retirement. Such compensation is calculated at the employees' then prevalent rate at the time of retirement or termination. Whereas vacation is compensated at 100% of accumulated hours, sick leave is accrued and compensated for members of the Police bargaining unit only at time of termination of employment with 10 or more years of service and is compensated at one-third of accumulated hours. Management employees are compensated for accrued sick leave at the time of separation in an amount up to 50% based on the total number of hours accrued. All other miscellaneous employees receive sick leave compensation upon termination in good standing after 5 years of service. Sick leave is compensated at 20% of accumulated hours in excess of 200. The long-term liabilities (amounts due in excess of 1 year) for compensated absences of the governmental fund types are recorded in the General Long-Term Debt Account Group. The current liabilities for compensated absences are recorded in the fund in which the liability is incurred.

K. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are receivable from the county within sixty days after year end.

Lien Date	January 1
Levy Date	January 1
Due Date	November 1 and February 1
Collection Date	December 10 and April 10

Property taxes levied are recorded as revenue when received, in the fiscal year of levy, because of the adoption of the "alternate method of property tax distribution," known as the Teeter Plan, by the City and the County of Placer. The Teeter Plan authorizes the Auditor/Controller of the County of Placer to allocate 100% of the secured property taxes billed, but not yet paid.

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures (governmental fund types) or expenses (proprietary fund types). Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recovered as a reduction in expenditures/expenses in the user fund. All other interfund transactions are reported as operating transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers.

City of Rocklin

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2003

2. CASH AND INVESTMENTS

The City maintains a cash and investment pool for all funds. Certain restricted funds, which are held and invested by independent outside custodians through contractual agreements, are not pooled. These restricted funds include cash with fiscal agent balances.

The investments made by the Investment Committee are limited to those allowable under State statutes as incorporated into the City's Investment Policy passed by Council Resolution.

Under provisions of this policy, the City is authorized to invest in the following types of investments:

Certificates of Deposit	Government Agency Securities
Bankers' Acceptances	Passbook Savings Accounts
Treasury Bills and Notes	State of California Local Agency Investment Fund
Commercial Papers	Federal, State, and Local Agency Bonds
Repurchase Agreements	Reverse Repurchase Agreements
Mutual Funds	Collateralized Negotiable Securities
Money Market Funds	Mortgage-Backed Securities
Medium-Term Notes	Placer County Treasurer Investment Pool

The City's investments with LAIF at June 30, 2003, included a small portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments may include the following:

- Structured Notes - debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- Asset-backed Securities - generally mortgage-backed securities which entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

As of June 30, 2003, the City had \$13,749,229 invested in LAIF, which had invested 1% of the pooled investments funds in Structured Notes and Asset-backed Securities.

A. Cash Deposits

All pooled certificates of deposit and bank balances are entirely insured or collateralized. The California Government Code requires California banks and savings and loan associations to secure an agency's deposits by pledging government securities as collateral. The market value of the pledged securities must equal at least 110% of an agency's deposits. California law also allows financial institutions to secure local agency deposits by pledging first trust deed mortgage notes having a value of 150% of a local agency's deposits. The City may waive collateral requirements for deposits which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC).

At June 30, 2003, the carrying amount of the City's deposits was \$633,019 and the bank balances were \$925,408. The total bank balance was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

City of Rocklin
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2003

2. CASH AND INVESTMENTS, Continued

A. Cash Deposits, Continued

The City's cash deposits at year-end are categorized below to give an indication of the level of credit risk assumed by the City.

Category 1 - Deposits which are insured by the FDIC.

Category 2 - Deposits which are collateralized. The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits, or by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits.

Category 3 - Deposits which are uninsured or uncollateralized.

B. Investments

The City's investments at year-end are categorized below to give an indication of the level of credit risk assumed by the City.

Category 1 - Investments which are insured by the Securities Investors Protection Corporation (SIPC), or investments which are held in definitive form by the City or the City's agent in the City's name, or investments acquired through the federal reserve book-entry system where the financial institution or broker/dealer associated with the purchase is adequately segregated from the custodial safekeeping agent on the same investments, and where the investments are recorded on the books and records of the financial institution or broker/dealer in the name of the City.

Category 2 - Investments which are uninsured, where the investments are acquired through a financial institution's investment or trading department, but are held in the same financial institution's trust department and are recorded in the City's name in the trust department's systems and records.

Category 3 - Investments which are uninsured, 1) where the investments are acquired through a financial institution's investment department but are held for custodial purposes in the same financial institution's safekeeping department, or 2) where the investments are acquired through a financial institution's trust department, and held for custodial safekeeping by the same trust department, or 3) where the investments are acquired through, and held for safekeeping by, the same broker/dealer, or 4) where investments are not held in the City's name in the systems and records of the financial institution or broker/dealer.

Uncategorized - Certain cash deposits and investments are not subject to categorization under GASB Statement No. 3 and are identified as "Not Required to be Categorized."

The City has no Category 3 pooled cash or investments.

City of Rocklin
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2003

2. CASH AND INVESTMENTS, Continued

B. Investments, Continued

At June 30, 2003, the City's pooled cash and investments, classified by risk category, consisted of the following:

The City's pooled cash and investments are reported as follows:

	Category 1	Category 2	Not Required to be Categorized	Fair Value
Cash and Cash Deposits:				
Checking	\$ 693,019	\$ 153,431	\$ -	\$ 846,450
NCCSIF Deposit	-	846,493	-	846,493
Petty Cash	860	-	-	860
Total Cash and Cash Deposits	693,879	999,924	-	1,693,803
Investments:				
US Treasury Notes	9,855,187	-	-	9,855,187
Federal Home Loan Bank	20,925,926	-	-	20,925,926
Federal National Mortgage Association	12,673,099	-	-	12,673,099
Federal Home Loan Mortgage Corporation	14,159,522	-	-	14,159,522
Student Loan Mktg Assoc. note	139,854	-	-	139,854
Medium Term Notes	12,752,810	-	-	12,752,810
Money Market Funds	1,808,384	-	-	1,808,384
Corporate Bonds	44,461	-	-	44,461
Local agency special tax bonds	-	13,319,851	-	13,319,851
Local Agency Investment Fund	-	-	13,749,229	13,749,229
Total Investments	72,359,243	13,319,851	13,749,229	99,428,323
Total Cash and Investments	\$ 73,053,122	\$ 14,319,775	\$ 13,749,229	\$ 101,122,126

The maturities of investments at June 30, 2003, were as follows:

Maturity	Fair Value
Current to one year	\$ 18,946,111
One to two years	6,406,968
Two to three years	55,739,060
Three to four years	346,653
Four to five years	378,106
More than five years	19,305,227
	<u>\$ 101,122,125</u>

City of Rocklin
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2003

2. CASH AND INVESTMENTS, Continued

B. Investments, Continued

At June 30, 2003, the City's cash and investments with fiscal agent classified by risk category consisted of the following:

	Category 2	Not Required to be Categorized	Fair Value
Cash and investments with fiscal agents:			
Cash	\$ -	\$ 16,217	\$ 16,217
Money market funds	-	3,009,750	3,009,750
Investments:			
US Treasury Notes	1,673,792	-	1,673,792
Guaranteed investment contracts	2,834,331	-	2,834,331
Federal Home Loan Bank	1,480,213	-	1,480,213
Federal Home Loan Mortgage Corporation	390,942	-	390,942
Student Loan Mktg Assoc. note	-	-	-
FNMA securities	407,232	-	407,232
Local agency special tax bonds	864,244	-	864,244
U.S. treasury bills	3,295,602	-	3,295,602
Total cash and investments with fiscal agents	\$ 10,946,356	\$ 3,025,967	\$ 13,972,323

A reconciliation of total cash and investments held by the Reporting Entity, Fiduciary and Proprietary funds is as follows:

	Primary Government	Component Units	Reporting Entity	Fiduciary Funds	Proprietary Funds
Pooled cash & investments:	\$ 34,517,996	\$ 1,003,153	\$ 35,521,149	\$ 1,376,772	\$ 4,335,138
Restricted pooled cash & investments	33,689,569	14,452,055	48,141,624	724,391	-
Cash with fiscal agents	472,870	14,325,137	14,798,007	10,197,368	-
	\$ 68,680,435	\$ 29,780,345	\$ 98,460,780	\$ 12,298,531	\$ 4,335,138

C. Fair Value of Investments

Investment income is comprised of the following:

Interest including realized gains on sale of investments	\$ 2,912,470
Net change in fair value of investments	2,326,242
Total investment income	\$ 5,238,712

City of Rocklin

Notes to Basic Financial Statements, Continued For the year ended June 30, 2003

2. CASH AND INVESTMENTS, Continued

D. External Investment Pool

The City invests in Local Agency Investment Fund, (LAIF) a State of California external investment pool. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available.

The City valued its investments in LAIF as of June 30, 2003, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants total aggregate amortized cost by total aggregate fair value.

Accordingly, as of June 30, 2003, the City's investments in LAIF at fair value amounted to \$13,749,229 using a LAIF fair value factor of 1.002846280%.

3. LOANS RECEIVABLE

As of June 30, 2003, loans receivable consisted of the following:

Special Revenue Funds:	
Community development block grant	\$ 464,317
Housing rehabilitation program 1	152,688
First time home buyer grant	100,000
Total community development block grants	717,005
Other housing loans:	
Redevelopment agency	574,947
First time home buyer grant	617,238
Total other housing loans	1,192,185
Total loans receivable	\$ 1,909,190

A. Community Development Block Grants

The City uses Housing and Community Development Block Grant funds to provide housing rehabilitation loans to eligible applicants. The City makes loans to resident homeowners who qualify as low income, some of which are deferred and are not repaid until the title to the property changes. Outstanding loans at June 30, 2003, were \$617,005.

B. Other Housing Notes Receivable

The City also maintains loans receivable for Low and Moderate Income Housing in the Redevelopment Agency Fund and First Time Home Buyers Fund which are not related to rehabilitation. These other notes receivable amounted to \$574,947.

City of Rocklin
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2003

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2003, was as follows:

	Balance June 30, 2002	Increase	GASB#34 Adjustments	Decrease	Balance June 30, 2003
Nondepreciable assets:					
Land	\$ 2,127,748	\$ 2,990,376	\$ 501,954	\$ -	\$ 5,620,078
Land Improvements	-	11,563	-	-	11,563
Total nondepreciable assets	2,127,748	3,001,939	501,954	-	5,631,641
Depreciable assets:					
Buildings	11,104,882	-	-	268,935	10,835,947
Facilities & Other Improvements	1,319,881	-	-	856,442	463,439
Machinery & Equipment	3,196,301	448,020	2,883,482	2,351,956	4,175,847
Parks	15,853,548	734,570	10,600,000	156,948	27,031,170
Construction in Progress	2,231,714	4,481,176	3,269,329	29,615	9,952,604
Infrastructure	-	-	248,197,128	-	248,197,128
Total depreciable assets	33,706,326	5,663,766	264,949,939	3,663,896	300,656,135
Total book value before depreciation	35,834,074	8,665,705	265,451,893	3,663,896	306,287,776
Less accumulated depreciation For:					
Buildings	4,316,560	332,490	-	-	4,649,050
Facilities & Other Improvements	130,795	29,118	-	-	159,913
Machinery & Equipment	704,123	184,341	-	-	888,464
Parks	1,896,306	331,036	-	-	2,227,342
Infrastructure	-	6,448,198	35,388,946	-	41,837,144
Total accumulated depreciation	7,047,784	7,325,183	35,388,946	-	49,761,913
Total capital assets, net	\$ 28,786,290	\$ 1,340,522	\$ 230,062,947	\$ 3,663,896	\$ 256,525,863

City of Rocklin
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2003

5. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2003:

	Balance June 30, 2002	Additions	Retirements	Balance June 30, 2003	Due in One Year
Governmental activities:					
1995 Certificates of Participation	\$ 2,160,000	\$ -	\$ (225,000)	\$ 1,935,000	\$ 240,000
1997 Refunding Tax Allocation Bonds	3,060,000	-	(85,000)	2,975,000	90,000
2002 Refunding Tax Allocation Bonds	13,730,000	-	(330,000)	13,400,000	105,000
1999 PFA Revenue Bonds	14,400,000	-	(300,000)	14,100,000	310,000
Ganiats Promissory Note	950,000	-	(100,000)	850,000	100,000
Pass-through obligation	225,408	-	(41,616)	183,792	43,281
Capital lease obligations	134,041	-	(62,170)	71,871	46,178
Compensated absences	1,595,318	279,534	-	1,874,852	924,710
Claims payable	2,754,425	-	-	2,754,425	-
Total general long-term debt	39,009,192	279,534	(1,143,786)	38,144,940	1,859,169
Business-type activities:					
Capital lease obligation	87,155	-	(23,198)	63,957	13,892
Total	\$ 39,096,347	\$ 279,534	\$ (1,166,984)	\$ 38,208,897	\$ 1,873,061

Governmental Activities

A. 1995 Certificates of Participation

On November 1, 1995, Certificates of Participation were issued, in the amount of \$3,365,000, as part of a series by the Association of Bay Area Governments (ABAG). The proceeds were used to advance refund the 1989 ABAG issue used to provide for the acquisition of sites for construction of a corporation yard, city hall administrative office building, and fire station. These same assets comprise the 1995 ABAG Series B issue. The COPs mature on September 1 of each year between 1996 and 2009 and bear interest rates ranging from 4.4% to 5.3%.

Year Ending June 30,	1995 Certificates of Participation		
	Principal	Interest	Total
2004	\$ 240,000	\$ 97,120	\$ 337,120
2005	250,000	85,840	335,840
2006	260,000	73,840	333,840
2007	275,000	61,100	336,100
2008	290,000	47,350	337,350
2009-2013	620,000	49,520	669,520
2014-2018	-	-	-
2019-2023	-	-	-
2024-2028	-	-	-
2029-2033	-	-	-
Total	\$ 1,935,000	\$ 414,770	\$ 2,349,770

City of Rocklin

Notes to Basic Financial Statements, Continued For the year ended June 30, 2003

5. LONG-TERM DEBT, Continued

B. 1997 Refunding Tax Allocation Bonds

On April 1, 1997, refunding tax allocation bonds were issued, in the amount of \$3,410,000, to defease the 1989 tax allocation bonds of the Redevelopment Agency of the City. The tax allocation bonds are secured by a pledge of tax-increment revenues and deposits with a fiscal agent included in the reserve account. The tax allocation bonds mature on September 1 of each year between 1997 and 2012 and bear interest ranging from 4.25% to 5.875%. The annual debt service requirements to maturity at June 30, 2003, are as follows:

Year Ending June 30,	1997 Refunding Tax Allocation Bonds		
	Principal	Interest	Total
2004	\$ 90,000	\$ 175,200	\$ 265,200
2005	90,000	170,610	260,610
2006	95,000	165,845	260,845
2007	100,000	160,803	260,803
2008	110,000	155,403	265,403
2009-2013	640,000	678,178	1,318,178
2014-2018	415,000	491,075	906,075
2019-2023	225,000	412,055	637,055
2024-2028	1,210,000	281,210	1,491,210
2029-2033	-	-	-
Total	\$ 2,975,000	\$ 2,690,379	\$ 5,665,379

C. 1999 Revenue Bonds

On July 29, 1999, the Public Financing Authority (Authority) of the City of Rocklin issued revenue bonds (Bonds) in the amount of \$14,910,000. The Bonds mature annually on September 1 through 2025 and bear interest rates ranging from 4.2% to 6.2%. The proceeds of the Bonds were used to purchase special tax bonds issued by the City for and on behalf of Community Facilities Districts #6, #8 and #9 (Districts) to finance certain public facilities and improvements for each of the three districts. The Bonds are payable from and secured by a pledge of certain revenues consisting of all amounts derived by the Authority and the Trustee from or with respect to the Districts' bonds which are payable from special taxes levied and collected within each of the Districts. The City and Authority have no direct or contingent liability or moral obligation for the payment of these Bonds. The annual debt service requirements to maturity at June 30, 2003, are as follows:

City of Rocklin
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2003

5. LONG-TERM DEBT, Continued

C. 1999 Revenue Bonds, Continued

Year Ending June 30,	1999 PFA Revenue Bonds		
	Principal	Interest	Total
2004	\$ 310,000	\$ 825,842	\$ 1,135,842
2005	330,000	809,595	1,139,595
2006	340,000	792,258	1,132,258
2007	370,000	773,613	1,143,613
2008	380,000	753,453	1,133,453
2009-2013	2,270,000	3,407,804	5,677,804
2014-2018	3,000,000	2,636,353	5,636,353
2019-2023	4,035,000	1,579,000	5,614,000
2024-2028	3,065,000	287,463	3,352,463
2029-2033	-	-	-
Total	\$ 14,100,000	\$ 11,865,381	\$ 25,965,381

D. 2002 Revenue Bonds

On January 1, 2002, tax allocation bonds were issued, in the amount of \$13,730,000, to defease the 1994 tax allocation bonds of the Agency. The proceeds of the tax allocation bonds were used to finance certain capital improvements within the Redevelopment Agency project area. The Bonds are payable from and secured by certain tax revenues payable to the Agency. Tax increment revenues are the sole revenue source pledged for repayment of this debt. The Bonds mature annually through September 1, 2032 in amounts ranging from \$95,000 to \$1,060,000 beginning September 1, 2002. The interest on the Bonds is payable semiannually on each March 1 and September 1, commencing September 1, 2002 with the interest rates ranging from 4.60% to 5.50%. The annual debt service requirements to maturity at June 30, 2003, are as follows:

Year Ending June 30,	2002 Tax Allocation Bonds		
	Principal	Interest	Total
2004	\$ 105,000	\$ 705,201	\$ 810,201
2005	110,000	700,371	810,371
2006	95,000	695,311	790,311
2007	155,000	690,941	845,941
2008	190,000	683,766	873,766
2009-2013	1,090,000	3,278,085	4,368,085
2014-2018	1,710,000	2,985,380	4,695,380
2019-2023	2,605,000	2,441,059	5,046,059
2024-2028	2,495,000	1,710,295	4,205,295
2029-2033	4,845,000	826,100	5,671,100
Total	\$ 13,400,000	\$ 14,716,509	\$ 28,116,509

The assets held by the City on behalf of the Districts are recorded in agency funds. Accordingly, these assets and outstanding bond obligations will not be presented in the City's Basic Financial Statements.

City of Rocklin
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2003

5. LONG-TERM DEBT, Continued

E. Promissory Note

On March 31, 1999, the Rocklin Public Financing Authority entered into an installment sale agreement with George C. Ganiats to purchase property. The original principal amount of \$1,250,000 will be paid in ten (10) equal installments of \$100,000 and a final payment of \$250,000. The installment payments are due on April 1, of each year commencing in 2000 and ending in 2009. Interest is accrued and due annually at 5% on the outstanding principal amount related to the installments and 1.84% on the final payment. The annual debt service requirements to maturity at June 30, 2003, are as follows:

Year Ending June 30,	Promissory Note Payable		
	Principal	Interest	Total
2004	\$ 100,000	\$ 30,000	\$ 130,000
2005	100,000	25,000	125,000
2006	100,000	20,000	120,000
2007	100,000	15,000	115,000
2008	100,000	10,000	110,000
2009-2013	350,000	55,000	405,000
2014-2018	-	-	-
2019-2023	-	-	-
2024-2028	-	-	-
2029-2033	-	-	-
Total	\$ 850,000	\$ 155,000	\$ 1,005,000

F. Pass-through Obligation

As part of the establishment of the City's Redevelopment Plan in 1986, the Agency agreed to pass through a portion of any incremental taxes it collects through fiscal year 1997 to Placer County, which preceded the Agency as the taxing authority in the Redevelopment Area. The agreement was revised upon adoption of the Plan Amendment in 1997. Payments of the amounts accumulated began in 1998 and are to be made in equal annual amounts over ten years, with interest at four percent. The annual debt service requirements to maturity at June 30, 2003, are as follows:

Year Ending June 30,	Pass-Through Obligations		
	Principal	Interest	Total
2004	\$ 43,281	\$ 7,352	\$ 50,633
2005	45,012	5,620	50,632
2006	46,813	3,820	50,633
2007	48,686	1,947	50,633
2008	-	-	-
2009-2013	-	-	-
2014-2018	-	-	-
2019-2023	-	-	-
2024-2028	-	-	-
2029-2033	-	-	-
Total	\$ 183,792	\$ 18,739	\$ 202,531

City of Rocklin

Notes to Basic Financial Statements, Continued For the year ended June 30, 2003

5. LONG-TERM DEBT, Continued

G. Capital Lease Obligations

The City leases office equipment from ABN-AMRO and 2 portable buildings from Municipal Financial Corporation. One lease was paid off this fiscal year and the other has a current outstanding principal balance of \$71,871. The annual debt service requirements to maturity at June 30, 2003, are as follows:

Year Ending June 30,	Capital Leases Payable		
	Principal	Interest	Total
2004	\$ 34,913	\$ 3,650	\$ 38,563
2005	36,958	1,608	38,566
2006	-	-	-
2007	-	-	-
2008	-	-	-
2009-2013	-	-	-
2014-2018	-	-	-
2019-2023	-	-	-
2024-2028	-	-	-
2029-2033	-	-	-
Total	\$ 71,871	\$ 5,258	\$ 77,129

H. Compensated Absences

Compensated absences at June 30, 2003, amounted to \$908,234. There is no fixed payment schedule for compensated absences.

I. Claims Payable

With the implementation of Governmental Accounting Standards Board Statement No. 10, "Accounting for Financial Reporting for Risk Financing and Related Issues", the General Long-Term Debt Account Group has reflected the financial effect of risk financing activities of \$2,754,425 (see note 10 for further discussion).

J. Fleet Vehicles Capital Lease Obligations

The City leased various vehicles from Associates Commercial Corporation, Municipal Financing. The outstanding principal amount of the remaining capital lease is \$63,957 as of June 30, 2003. The current portion of the capital lease obligation at June 30, 2003, amounted to \$13,892, with the remaining \$50,065 due in excess of one year.

Proprietary Activities

Long-term debt activity in the Fleet Internal Service Fund for the year ended June 30, 2003, was as follows:

	Balance July 1, 2002	Additions	Retirements	Balance June 30, 2003
Capital Lease Obligations	\$ 87,155	\$ -	\$ (23,198)	\$ 63,957
Total	\$ 87,155	\$ -	\$ (23,198)	\$ 63,957

City of Rocklin
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2003

6. SPECIAL ASSESSMENT DISTRICTS

The City is the collecting agent for bonds outstanding at June 30, 2003, issued by the following special assessment districts:

Stanford Ranch CFD #2 Refunding	\$ 7,380,000
Stanford Ranch CFD #3 A & B Refunding	25,385,000
Stanford Ranch CFD #3C	5,105,000
Rocklin Southeast CFD #4	2,465,000
Granite Drive Refunding	3,090,000
Monte Verde Refunding	710,000
Sunset West - Interchange/Major Street CFD #7	4,250,000
Sunset West - Drainage CFD #8	2,115,000
Sunset West - West/Blue Oaks CFD #9	5,470,000
	<u>651,500</u>
	<u>\$ 62,485,000</u>

The City has no direct or contingent liability or moral obligation for the payment of these bonds. Assets held by the City on behalf of these districts are recorded in Agency Funds. Accordingly, these assets and outstanding bond obligations are not presented in the City's accompanying Basic Financial Statements.

7. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2003, the following funds had expenditures in excess of appropriations:

These funds had adequate resources to cover these excesses in the current year.

	<u>Amount</u>
Special revenue funds:	
Park Development and Maintenance District	\$ 1,123
Community Facilities District #1	503
Sales Tax *	460,424
2000 Housing Program Rehab Grant	12,031
Capital projects funds:	
Community Facilities District #7	2,054

* Grant revenues of \$685,244 received in conjunction with these expenditures. These were Federal grants received for the Sunset Blvd. overlay project.

City of Rocklin

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2003

8. RISK MANAGEMENT

A. General Liability Insurance

The City is self-insured for the first \$25,000 of each liability loss and participates in the Northern California Cities Self Insurance Fund (NCCSIF), a joint powers authority of city governments. NCCSIF provides liability coverage up to \$500,000 for each claim. The City maintains excess insurance coverage provided by the NCCSIF which covers a maximum loss of \$15,000,000. The City is not insured for liability occurrences over \$15,000,000.

B. Workers' Compensation

The City is self-insured for the first \$100,000 of each loss and participates in the NCCSIF which provides coverage for a maximum loss of \$300,000. The City maintains statutory excess workers' compensation insurance, and is insured for employer's liability claims up to \$5,000,000. The City is not insured for claims exceeding \$5,000,000. Claims for long-term disability are covered by insurance.

All current claims liabilities are accounted for in the General Fund with the long-term portion accounted for in the General Long-Term Debt Account Group. No claim settlement exceeded either this self-insured amount or the insurance coverage for any of the years shown.

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Payments for Current and Prior Years	End of Year Liability
2000-2001	\$ 1,981,155	\$ 623,955	\$ (249,212)	\$ 2,355,898
2001-2002	2,355,898	1,023,355	(318,781)	3,060,472
200-2003	3,060,472	245,831	(551,878)	2,754,425

City of Rocklin
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2003

9. INTERFUND TRANSACTIONS

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The following is a summary of current interfund balances at June 30, 2003:

	Receivable Funds	Payable Funds
Major funds:		
General fund	\$ 183,751	\$ -
Nonmajor funds:		
Redevelopment Agency Low/Mod Housing Fund	-	183,751
Total	\$ 183,751	\$ 183,751

Interfund transfers for the year ended June 30, 2003, were as follows:

	Transfers In	Transfers Out
General fund	\$ 3,905,056	\$ 917,575
Special revenue funds:		
Gas Tax	-	117,312
SB 325 Sales Tax	-	391,635
AB 2928	-	19,465
Lighting District #1	-	22,500
Lighting District #2	-	25,000
Park Development and Maintenance District	-	424,420
Community Facilities District #1	-	630,908
Low/Mod Redevelopment Fund	-	250,000
First Time Home Buyers	250,000	-
FEMA	-	61,749
FEMA	-	20,445
Total special revenue funds	250,000	1,963,434
Debt service funds:		
Capital Construction	322,900	-
Public Financing Authority	135,000	-
Total debt service funds	457,900	-
Capital projects funds:		
Park Development	-	137,986
Community Park Fees	-	81,582
Traffic Circulation	-	459,557
Capital Construction	-	1,017,224
Redevelopment Agency	-	4,826
Total capital projects funds	-	1,701,175
Fleet Internal Service Fund	-	30,772
Total all funds	\$ 4,612,956	\$ 4,612,956

City of Rocklin

Notes to Basic Financial Statements, Continued For the year ended June 30, 2003

10. PUBLIC EMPLOYEE RETIREMENT SYSTEM

A. Plan Description

The City contributes to the California Public Employee Retirement Systems (PERS) an agent multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating with public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office 400P Street, Sacramento, CA, 95814.

B. Funding Policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of non-management City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 0% for miscellaneous employees, and 5.627% for safety employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

C. Annual Pension Cost

For 2003, the City's annual pension cost of \$315,066 for PERS was equal to the City's required and actual contribution. The required contribution was determined as part of the June 30, 2002 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.25% of investment rate of return (net of administrative expenses) and (b) projected annual salary increases that vary by duration of service. Both (a) and (b) included an inflation component of 3.5%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smooth market value). PERS has reduced the future rate the City pays to reflect an over funded condition in the plan.

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2001	\$ 222,194	100%	\$ -
June 30, 2002	218,789	100%	-
June 30, 2003	315,066	100%	-

City of Rocklin

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2003

11. OTHER POST-EMPLOYMENT BENEFITS

The City provided health care benefits for 33 retired employees on a pay-as-you-go basis with the City paying all costs. All active health care plan participants and their spouses may become eligible upon retirement for those benefits if they reach the normal retirement age while working for the City. The City's expenditures for the fiscal year 2002-2003 amounted to \$158,758.

12. CONTINGENCIES

The City participates in a number of Federal, State and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government. As of June 30, 2003, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

13. LITIGATION

The City is a defendant in a number of lawsuits that have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated do not appear to have a material adverse effect on the financial condition of the City.

14. PRIOR PERIOD ADJUSTMENTS

Government-Wide Financial Statements

The City has recorded the implementation of new GASB pronouncements. Accordingly, the City's equity as of July 1, 2002 has been restated as follows:

	Equity as previously Reported	Implementation of new GASB Pronouncements	Net Assets as Restated
Governmental Activities	\$ 90,528,841	\$ 221,339,240	\$ 311,868,081

Fund Financial Statements

	As Previously Reported	Adjustment	As Restated
Governmental Funds:			
General	\$ 20,358,203	\$ (105,076)	\$ 20,253,127

REQUIRED SUPPLEMENTARY INFORMATION

City of Rocklin
Required Supplementary Information
For the year ended June 30, 2003

SCHEDULE OF FUNDING IN PROGRESS

Miscellaneous Employees

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Underfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded (Overfunded) Actuarial Liability as % of Covered Payroll
6/30/2000	\$ 12,409,375	\$ 10,175,752	\$ (2,233,623)	122.0%	\$ 5,023,520	(44.5)%
6/30/2001	13,115,635	11,935,185	(1,180,450)	109.9%	6,199,012	(19.0)%
6/30/2002	12,833,237	13,839,845	1,006,608	92.7%	7,572,552	13.3%

Safety Employees

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Underfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded (Overfunded) Actuarial Liability as % of Covered Payroll
6/30/2000	\$ 11,974,264	\$ 9,771,132	\$ (2,203,132)	122.5%	\$ 36,254	(6076.9)%
6/30/2001	12,856,892	11,340,034	(1,516,858)	113.4%	3,640,156	(41.7)%
6/30/2002	12,607,136	12,944,645	337,509	97.4%	4,174,305	8.1%

SUPPLEMENTARY INFORMATION

City of Rocklin
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003

	Special Revenue Funds				
	Gas Tax	SB 325 Sales Tax	AB2928 Traffic Congestion	Lighting District #1	Lighting District #2
ASSETS					
Pooled cash and investments	\$ 592,663	\$ 3,162,339	\$ 31,536	\$ (215,500)	\$ 1,383,578
Receivables:					
Interest	-	-	-	-	-
Taxes	86,388	186,630	29,587	11,974	49,461
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Restricted pooled cash and investments	-	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-	-
Total assets	\$ 679,051	\$ 3,348,969	\$ 61,123	\$ (203,526)	\$ 1,433,039
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 1,208,739	\$ 7,369	\$ 40,460	\$ 97,409
Accrued payroll	16,133	-	-	1,060	15,491
Due to other funds	-	-	-	-	-
Compensated absences	3,901	-	-	320	12,364
Total liabilities	20,034	1,208,739	7,369	41,840	125,264
Fund Balances:					
Reserved:					
Low and moderate income housing	-	-	-	-	-
Debt Service	-	-	-	-	-
Noncurrent loans and notes receivable	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	659,017	2,140,230	53,754	(245,366)	1,307,775
Capital projects funds	-	-	-	-	-
Total fund balances	659,017	2,140,230	53,754	(245,366)	1,307,775
Total liabilities and fund balances	\$ 679,051	\$ 3,348,969	\$ 61,123	\$ (203,526)	\$ 1,433,039

Special Revenue Funds

Park Development and Maintenance District	CFD #1	FEMA Flood	Housing Rehabilitation Program 1	Housing Rehabilitation Program 2	2000 Housing Rehabilitation	Redevelopment Agency	Bicycle and Pedestrian Facilities
\$ (21,339)	\$ (11,619)	\$ 22,498	\$ 87,093	\$ 87,084	\$ -	\$ 1,003,153	\$ 27,372
-	-	-	-	-	-	-	-
21,519	11,619	-	-	-	-	-	-
-	-	-	464,317	152,688	-	574,947	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 22,498</u>	<u>\$ 551,410</u>	<u>\$ 239,772</u>	<u>\$ -</u>	<u>\$ 1,578,100</u>	<u>\$ 27,372</u>
\$ 180	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -
-	-	-	503	-	-	2,535	-
-	-	-	-	-	-	-	-
-	-	-	374	-	-	1,895	-
<u>180</u>	<u>-</u>	<u>-</u>	<u>1,877</u>	<u>-</u>	<u>-</u>	<u>4,430</u>	<u>-</u>
-	-	-	-	-	-	967,796	-
-	-	-	-	-	-	-	-
-	-	-	406,342	152,688	-	574,947	-
-	-	22,498	143,191	87,084	-	30,927	27,372
-	-	-	-	-	-	-	-
-	-	22,498	549,533	239,772	-	1,573,670	27,372
<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 22,498</u>	<u>\$ 551,410</u>	<u>\$ 239,772</u>	<u>\$ -</u>	<u>\$ 1,578,100</u>	<u>\$ 27,372</u>

(Continued)

City of Rocklin
Combining Balance Sheet
Nonmajor Governmental Funds, Continued
June 30, 2003

	Special Revenue Funds				
	First Time Home Buyer Grant	Supplemental Law Enforcement Grant	Federal Asset Forfeiture	Whitney Oaks Park Improvement	CFD #6 Open Space Maintenance
ASSETS					
Pooled cash and investments	\$ 921,773	\$ 91,533	\$ 110,711	\$ 523,836	\$ 105,785
Receivables:					
Interest	-	-	-	-	-
Taxes	-	-	-	-	-
Loans	617,238	-	-	-	-
Due from other governments	-	-	-	-	-
Restricted pooled cash and investments	-	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-	-
Total assets	\$ 1,539,011	\$ 91,533	\$ 110,711	\$ 523,836	\$ 105,785
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 856	\$ -	\$ -	\$ -	\$ 210
Accrued payroll	-	7,316	-	-	2,363
Due to other funds	-	-	-	-	-
Compensated absences	-	11,310	-	-	100
Total liabilities	856	18,626	-	-	2,673
Fund Balances:					
Reserved:					
Low and moderate income housing	-	-	-	-	-
Debt Service	-	-	-	-	-
Noncurrent loans and notes receivable	617,238	-	-	-	-
Unreserved, reported in:					
Special revenue funds	920,917	72,907	110,711	523,836	103,112
Capital projects funds	-	-	-	-	-
Total fund balances	1,538,155	72,907	110,711	523,836	103,112
Total liabilities and fund balances	\$ 1,539,011	\$ 91,533	\$ 110,711	\$ 523,836	\$ 105,785

Special Revenue Funds		Debt Service Funds		Capital Projects Funds			
Total	Capital Construction	Redevelopment Agency	Total	Park Development	Capital Construction	Oaktree Mitigation	Granite Drive Assessment District
\$ 7,902,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
397,178	-	172,929	172,929	-	-	-	-
1,809,190	-	-	-	-	-	-	-
-	-	-	-	-	290,000	-	-
-	-	1,812,361	1,812,361	2,047,213	8,075,219	769,588	542,091
-	338,111	1,673,792	2,011,903	-	-	-	-
<u>\$ 10,108,864</u>	<u>\$ 338,111</u>	<u>\$ 3,659,082</u>	<u>\$ 3,997,193</u>	<u>\$ 2,047,213</u>	<u>\$ 8,365,219</u>	<u>\$ 769,588</u>	<u>\$ 542,091</u>
\$ 1,356,223	\$ -	\$ 8,718	\$ 8,718	\$ 15,135	\$ 86,334	\$ -	\$ -
45,401	-	8,093	8,093	3,738	3,720	-	-
-	-	183,751	183,751	-	-	-	-
30,264	-	2,947	2,947	1,364	2,306	-	-
<u>1,431,888</u>	<u>-</u>	<u>203,509</u>	<u>203,509</u>	<u>20,237</u>	<u>92,360</u>	<u>-</u>	<u>-</u>
967,796	-	-	-	-	-	-	-
-	338,111	3,455,573	3,793,684	-	-	-	-
1,751,215	-	-	-	-	-	-	-
5,957,965	-	-	-	-	-	-	-
-	-	-	-	2,026,976	8,272,859	769,588	542,091
<u>8,676,976</u>	<u>338,111</u>	<u>3,455,573</u>	<u>3,793,684</u>	<u>2,026,976</u>	<u>8,272,859</u>	<u>769,588</u>	<u>542,091</u>
<u>\$ 10,108,864</u>	<u>\$ 338,111</u>	<u>\$ 3,659,082</u>	<u>\$ 3,997,193</u>	<u>\$ 2,047,213</u>	<u>\$ 8,365,219</u>	<u>\$ 769,588</u>	<u>\$ 542,091</u>

(Continued)

City of Rocklin
Combining Balance Sheet
Nonmajor Governmental Funds, Continued
June 30, 2003

	Capital Projects Funds				
	Monte Verde Assessment District	Community Park Fees	Community Facilities District #7	Rocklin Redevelopment Agency	Community Facilities District #6
ASSETS					
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:					
Interest	-	-	-	11,237	-
Taxes	-	-	-	-	-
Loans	-	-	-	-	-
Due from other governments	-	-	-	-	-
Restricted pooled cash and investments	3,869	3,121,604	-	9,809,040	10,507
Cash and investments with fiscal agents	-	-	1	-	-
Total assets	\$ 3,869	\$ 3,121,604	\$ 1	\$ 9,820,277	\$ 10,507
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 13,122	\$ -
Accrued payroll	-	1,164	-	-	-
Due to other funds	-	-	-	-	-
Compensated absences	-	844	-	-	-
Total liabilities	-	2,008	-	13,122	-
Fund Balances:					
Reserved:					
Low and moderate income housing	-	-	-	-	-
Debt Service	-	-	-	-	-
Noncurrent loans and notes receivable	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	3,869	3,119,596	1	9,807,155	10,507
Total fund balances	3,869	3,119,596	1	9,807,155	10,507
Total liabilities and fund balances	\$ 3,869	\$ 3,121,604	\$ 1	\$ 9,820,277	\$ 10,507

Capital Projects Funds

Community Facilities District #8	Community Facilities District #9	Total	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 7,902,496
-	-	11,237	11,237
-	-	-	570,107
-	-	-	1,809,190
-	-	290,000	290,000
-	-	24,379,131	26,191,492
123,180	1,071	124,252	2,136,155
<u>\$ 123,180</u>	<u>\$ 1,071</u>	<u>\$ 24,804,620</u>	<u>\$ 38,910,677</u>
\$ -	\$ -	\$ 114,591	\$ 1,479,532
-	-	8,622	62,116
-	-	-	183,751
-	-	4,514	37,725
-	-	127,727	1,763,124
-	-	-	967,796
-	-	-	3,793,684
-	-	-	1,751,215
-	-	-	5,957,965
123,180	1,071	24,676,893	24,676,893
123,180	1,071	24,676,893	37,147,553
<u>\$ 123,180</u>	<u>\$ 1,071</u>	<u>\$ 24,804,620</u>	<u>\$ 38,910,677</u>

(Concluded)

City of Rocklin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2003

	Special Revenue Funds				
	Gas Tax	SB 325 Sales Tax	AB2928 Traffic Congestion	Lighting District #1	Lighting District #2
REVENUES:					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Intergovernmental	887,114	2,681,677	107,737	-	-
Use of money and property	32,813	92,351	(5,977)	(13,627)	67,081
Charges for services	-	-	-	235,618	982,493
Other revenues	-	-	-	-	696
Total revenues	919,927	2,774,028	101,760	221,991	1,050,270
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	558,898	184,582	91,614	267,301	1,056,007
Culture and recreation	-	-	-	-	-
Community development	-	318,342	-	-	9,825
Capital outlay	-	2,089,700	-	-	5,674
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	558,898	2,592,624	91,614	267,301	1,071,506
REVENUES OVER (UNDER) EXPENDITURES	361,029	181,404	10,146	(45,310)	(21,236)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(117,312)	(391,635)	(19,465)	(22,500)	(25,000)
Total other financing sources and (uses)	(117,312)	(391,635)	(19,465)	(22,500)	(25,000)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	243,717	(210,231)	(9,319)	(67,810)	(46,236)
FIND BALANCES:					
Beginning as previously reported	415,300	2,355,020	54,358	(177,556)	1,354,353
Prior period adjustment	-	(4,559)	8,715	-	(342)
Beginning as restated	415,300	2,350,461	63,073	(177,556)	1,354,011
Ending of year	\$ 659,017	\$ 2,140,230	\$ 53,754	\$ (245,366)	\$ 1,307,775

Special Revenue Funds

Park Development and Maintenance District	CFD #1	FEMA Flood	Housing Rehabilitation Program 1	Housing Rehabilitation Program 2	2000 Housing Rehabilitation	Redevelopment Agency	Bicycle and Pedestrian Facilities
\$ -	\$ 637,311	\$ -	\$ -	\$ -	\$ -	\$ 496,409	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	98,936	7,165	-
-	-	5,538	10,744	1,542	(10,616)	43,124	1,448
430,243	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
430,243	637,311	5,538	10,744	1,542	88,320	546,698	1,448
-	-	-	-	-	-	-	-
-	21	-	-	3,700	112,925	187,910	-
-	6,382	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,823	-	-	-	-	-	-	-
-	-	-	15,361	2,076	-	16,789	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,823	6,403	-	15,361	5,776	112,925	204,699	-
424,420	630,908	5,538	(4,617)	(4,234)	(24,605)	341,999	1,448
-	-	-	-	-	-	-	-
(424,420)	(630,908)	(82,194)	-	-	-	(250,000)	-
(424,420)	(630,908)	(82,194)	-	-	-	(250,000)	-
-	-	-	-	-	-	-	-
-	-	(76,656)	(4,617)	(4,234)	(24,605)	91,999	1,448
-	-	-	-	-	-	-	-
-	-	99,154	554,150	244,006	24,605	1,481,671	25,924
-	-	-	-	-	-	-	-
-	-	99,154	554,150	244,006	24,605	1,481,671	25,924
\$ -	\$ -	\$ 22,498	\$ 549,533	\$ 239,772	\$ -	\$ 1,573,670	\$ 27,372

(Continued)

City of Rocklin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds, Continued

For the year ended June 30, 2003

	Special Revenue Funds				
	First Time Home Buyer Grant	Supplemental Law Enforcement Grant	Federal Asset Forfeiture	Whitney Oaks Park Improvement	CFD #6 Open Space Maintenance
REVENUES:					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ 91,440
Licenses and permits	-	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Intergovernmental	-	100,000	2,745	-	-
Use of money and property	80,084	(11,933)	5,865	28,167	4,298
Charges for services	-	-	-	-	-
Other revenues	-	50,000	-	81,000	-
Total revenues	80,084	138,067	8,610	109,167	95,738
EXPENDITURES:					
Current:					
General government	-	-	-	-	2,623
Public safety	-	107,271	-	-	-
Public works	-	-	-	-	62,307
Culture and recreation	-	-	-	-	-
Community development	15,042	-	-	-	-
Capital outlay	-	-	1,681	-	402
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	15,042	107,271	1,681	-	65,332
REVENUES OVER (UNDER) EXPENDITURES	65,042	30,796	6,929	109,167	30,406
OTHER FINANCING SOURCES (USES):					
Transfers in	250,000	-	-	-	-
Transfers out	-	-	-	-	(15,000)
Total other financing sources and (uses)	250,000	-	-	-	(15,000)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	315,042	30,796	6,929	109,167	15,406
FIND BALANCES:					
Beginning as previously reported	1,223,113	42,111	103,782	414,669	87,706
Prior period adjustment	-	-	-	-	-
Beginning as restated	1,223,113	42,111	103,782	414,669	87,706
Ending of year	\$ 1,538,155	\$ 72,907	\$ 110,711	\$ 523,836	\$ 103,112

Special Revenue Funds		Debt Service Funds		Capital Projects Funds			
Total	Capital Construction	Redevelopment Agency	Total	Park Development	Capital Construction	Oaktree Mitigation	Granite Drive Assessment District
\$ 1,225,160	\$ -	\$ 1,957,805	\$ 1,957,805	\$ 555,628	\$ 2,048,556	\$ 134,722	\$ -
-	-	-	-	-	163,500	-	-
-	-	-	-	-	-	-	-
3,885,374	-	32,424	32,424	-	-	-	-
330,902	3,348	111,355	114,703	8,644	562,867	46,351	8,670
1,648,354	-	-	-	-	-	-	-
131,696	-	-	-	-	6,001	-	-
7,221,486	3,348	2,101,584	2,104,932	564,272	2,780,924	181,073	8,670
307,179	-	501,725	501,725	-	1,826	-	-
113,653	-	-	-	-	-	-	-
2,220,709	-	107,818	107,818	-	-	-	-
5,823	-	-	-	103,958	881,005	-	-
377,435	-	25,148	25,148	-	-	-	-
2,097,457	-	546,890	546,890	696,994	1,904,873	-	-
-	225,000	415,000	640,000	-	-	-	-
-	102,295	966,853	1,069,148	-	-	-	-
5,122,256	327,295	2,563,434	2,890,729	800,952	2,787,704	-	-
2,099,230	(323,947)	(461,850)	(785,797)	(236,680)	(6,780)	181,073	8,670
250,000	322,900	-	322,900	-	-	-	-
(1,978,434)	-	-	-	(137,986)	(1,017,224)	-	-
(1,728,434)	322,900	-	322,900	(137,986)	(1,017,224)	-	-
370,796	(1,047)	(461,850)	(462,897)	(374,666)	(1,024,004)	181,073	8,670
8,302,366	339,158	3,917,423	4,256,581	2,401,642	9,248,863	588,515	533,421
3,814	-	-	-	-	48,000	-	-
8,306,180	339,158	3,917,423	4,256,581	2,401,642	9,296,863	588,515	533,421
\$ 8,676,976	\$ 338,111	\$ 3,455,573	\$ 3,793,684	\$ 2,026,976	\$ 8,272,859	\$ 769,588	\$ 542,091

(Continued)

City of Rocklin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds, Continued

For the year ended June 30, 2003

	Capital Projects Funds				
	Monte Verde Assessment District	Community Park Fees	Community Facilities District #7	Rocklin Redevelopment Agency	Community Facilities District #6
REVENUES:					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	552,548	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Use of money and property	103	193,957	8,915	139,448	-
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	103	746,505	8,915	139,448	-
EXPENDITURES:					
Current:					
General government	-	-	1,011	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	53,862	-	-	-
Community development	-	-	1,043	152,160	-
Capital outlay	17,327	426,059	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	17,327	479,921	2,054	152,160	-
REVENUES OVER (UNDER) EXPENDITURES	(17,224)	266,584	6,861	(12,712)	-
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	(81,582)	-	(4,826)	-
Total other financing sources and (uses)	-	(81,582)	-	(4,826)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(17,224)	185,002	6,861	(17,538)	-
FIND BALANCES:					
Beginning as previously reported	21,093	2,934,594	(6,860)	9,824,693	10,507
Prior period adjustment	-	-	-	-	-
Beginning as restated	21,093	2,934,594	(6,860)	9,824,693	10,507
Ending of year	\$ 3,869	\$ 3,119,596	\$ 1	\$ 9,807,155	\$ 10,507

Capital Projects Funds

Community Facilities District #8	Community Facilities District #9	Total	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 2,738,906	\$ 5,921,871
-	-	716,048	716,048
-	-	-	-
-	-	-	3,917,798
1,102	245	970,302	1,415,907
-	-	-	1,648,354
-	-	6,001	137,697
1,102	245	4,431,257	13,757,675
-	-	2,837	811,741
-	-	-	113,653
-	-	-	2,328,527
-	-	1,038,825	1,044,648
-	-	153,203	555,786
-	-	3,045,253	5,689,600
-	-	-	640,000
-	-	-	1,069,148
-	-	4,240,118	12,253,103
1,102	245	191,139	1,504,572
-	-	-	572,900
-	-	(1,241,618)	(3,220,052)
-	-	(1,241,618)	(2,647,152)
1,102	245	(1,050,479)	(1,142,580)
122,078	826	25,679,372	38,238,319
-	-	48,000	51,814
122,078	826	25,727,372	38,290,133
\$ 123,180	\$ 1,071	\$ 24,676,893	\$ 37,147,553

(Concluded)

City of Rocklin
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2003

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
<u>HEALTH AND SAFETY</u>				
Assets:				
Pooled cash and investments	\$ 15,565	\$ 51,047	\$ 21,646	\$ 44,966
Interest receivable	3,002	-	3,002	-
Total assets	\$ 18,567	\$ 51,047	\$ 24,648	\$ 44,966
Liabilities:				
Accounts payable	\$ -	\$ 23,417	\$ 6,082	\$ 17,335
Due to others	18,567	10,281	1,217	27,631
Total liabilities	\$ 18,567	\$ 33,698	\$ 7,299	\$ 44,966
<u>PRESCHOOL MOTHERS</u>				
Assets:				
Pooled cash and investments	\$ 5,706	\$ 28,575	\$ 17,372	\$ 16,909
Grants receivable	-	10,062	-	10,062
Total assets	\$ 5,706	\$ 38,637	\$ 17,372	\$ 26,971
Liabilities:				
Accounts payable	\$ -	\$ 11,664	\$ 11,664	\$ -
Due to others	5,706	31,423	10,158	26,971
Total liabilities	\$ 5,706	\$ 43,087	\$ 21,822	\$ 26,971
<u>KIDS' JUNCTION</u>				
Assets:				
Pooled cash and investments	\$ 3,122	\$ 3,167	\$ 3,122	\$ 3,167
Total assets	\$ 3,122	\$ 3,167	\$ 3,122	\$ 3,167
Liabilities:				
Due to others	\$ 3,122	\$ 45	\$ -	\$ 3,167
Total liabilities	\$ 3,122	\$ 45	\$ -	\$ 3,167
<u>SWIMMING POOL TRUST</u>				
Assets:				
Pooled cash and investments	\$ 77,470	\$ 81,797	\$ 77,470	\$ 81,797
Total assets	\$ 77,470	\$ 81,797	\$ 77,470	\$ 81,797
Liabilities:				
Due to others	\$ 77,470	\$ 4,327	\$ -	\$ 81,797
Total liabilities	\$ 77,470	\$ 4,327	\$ -	\$ 81,797

(Continued)

City of Rocklin
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2003

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
<u>CREATIVE AND PERFORMING ARTS</u>				
Assets:				
Pooled cash and investments	\$ 3,493	\$ 7,573	\$ 3,493	\$ 7,573
Total assets	<u>\$ 3,493</u>	<u>\$ 7,573</u>	<u>\$ 3,493</u>	<u>\$ 7,573</u>
Liabilities:				
Due to others	\$ 3,493	\$ 4,080	\$ -	\$ 7,573
Total liabilities	<u>\$ 3,493</u>	<u>\$ 4,080</u>	<u>\$ -</u>	<u>\$ 7,573</u>
<u>EIR'S CONSULTATION FUNDS</u>				
Assets:				
Pooled cash and investments	\$ 105,340	\$ 378,862	\$ 232,540	\$ 251,662
Total assets	<u>\$ 105,340</u>	<u>\$ 378,862</u>	<u>\$ 232,540</u>	<u>\$ 251,662</u>
Liabilities:				
Accounts payable	\$ 9,393	\$ 89,852	\$ 99,245	\$ -
Due to others	95,947	263,523	107,808	251,662
Total liabilities	<u>\$ 105,340</u>	<u>\$ 353,375</u>	<u>\$ 207,053</u>	<u>\$ 251,662</u>
<u>ROCKLIN JUBILEE</u>				
Assets:				
Pooled cash and investments	\$ 29,044	\$ 134,940	\$ 116,849	\$ 47,135
Accounts receivable	1,916	1,916	3,832	-
Total assets	<u>\$ 30,960</u>	<u>\$ 136,856</u>	<u>\$ 120,681</u>	<u>\$ 47,135</u>
Liabilities:				
Accounts payable	\$ 30,960	\$ 128,860	\$ 112,685	\$ 47,135
Total liabilities	<u>\$ 30,960</u>	<u>\$ 128,860</u>	<u>\$ 112,685</u>	<u>\$ 47,135</u>
<u>PARK IMPROVEMENTS</u>				
Assets:				
Pooled cash and investments	\$ 11,395	\$ 15,062	11,503	\$ 14,954
Total assets	<u>\$ 11,395</u>	<u>\$ 15,062</u>	<u>11,503</u>	<u>\$ 14,954</u>
Liabilities:				
Due to others	\$ 11,395	\$ 3,667	\$ 108	\$ 14,954
Total liabilities	<u>\$ 11,395</u>	<u>\$ 3,667</u>	<u>\$ 108</u>	<u>\$ 14,954</u>

(Continued)

City of Rocklin
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2003

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
<u>TRAFFIC SAFETY</u>				
Assets:				
Pooled cash and investments	\$ 29,098	\$ 56,865	\$ 43,169	\$ 42,794
Total assets	<u>\$ 29,098</u>	<u>\$ 56,865</u>	<u>\$ 43,169</u>	<u>\$ 42,794</u>
Liabilities:				
Accounts payable	\$ -	\$ 17,787	\$ 11,019	\$ 6,768
Due to others	29,098	23,222	16,294	36,026
Total liabilities	<u>\$ 29,098</u>	<u>\$ 41,009</u>	<u>\$ 27,313</u>	<u>\$ 42,794</u>
<u>D.A.R.E.</u>				
Assets:				
Pooled cash and investments	\$ 2,492	\$ 9,367	\$ 7,693	\$ 4,166
Total assets	<u>\$ 2,492</u>	<u>\$ 9,367</u>	<u>\$ 7,693</u>	<u>\$ 4,166</u>
Liabilities:				
Accounts payable	\$ -	\$ 5,202	\$ 5,202	\$ -
Due to others	2,492	6,876	5,202	4,166
Total liabilities	<u>\$ 2,492</u>	<u>\$ 12,078</u>	<u>\$ 10,404</u>	<u>\$ 4,166</u>
<u>EXPLORER POST 150</u>				
Assets:				
Pooled cash and investments	\$ 3,060	\$ 3,902	\$ 3,562	\$ 3,400
Total assets	<u>\$ 3,060</u>	<u>\$ 3,902</u>	<u>\$ 3,562</u>	<u>\$ 3,400</u>
Liabilities:				
Accounts payable	\$ 320	\$ 822	\$ 822	\$ 320
Due to others	2,740	842	502	3,080
Total liabilities	<u>\$ 3,060</u>	<u>\$ 1,664</u>	<u>\$ 1,324</u>	<u>\$ 3,400</u>
<u>FIRE PREVENTION EDUCATION</u>				
Assets:				
Pooled cash and investments	\$ 26,052	\$ 48,864	\$ 28,213	\$ 46,703
Total assets	<u>\$ 26,052</u>	<u>\$ 48,864</u>	<u>\$ 28,213</u>	<u>\$ 46,703</u>
Liabilities:				
Accounts payable	\$ -	\$ 4,780	\$ 2,161	\$ 2,619
Due to others	26,052	18,271	239	44,084
Total liabilities	<u>\$ 26,052</u>	<u>\$ 23,051</u>	<u>\$ 2,400</u>	<u>\$ 46,703</u>

(Continued)

City of Rocklin
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2003

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
<u>AMERICAN DISABILITIES ACT SUPERFUND</u>				
Assets:				
Pooled cash and investments	\$ 349,718	\$ 417,711	\$ 413,418	\$ 354,011
Total assets	<u>\$ 349,718</u>	<u>\$ 417,711</u>	<u>\$ 413,418</u>	<u>\$ 354,011</u>
Liabilities:				
Accounts payable	\$ 33	\$ 44,788	\$ 44,821	\$ -
Due to others	349,685	67,995	63,669	354,011
Total liabilities	<u>\$ 349,718</u>	<u>\$ 112,783</u>	<u>\$ 108,490</u>	<u>\$ 354,011</u>
<u>STANFORD RANCH CFD #2</u>				
Assets:				
Cash and investments with fiscal agents	\$ 1,638,525	\$ 2,514,799	\$ 2,596,875	\$ 1,556,449
Taxes receivable	15,610	27,078	31,220	11,468
Total assets	<u>\$ 1,654,135</u>	<u>\$ 2,541,877</u>	<u>\$ 2,628,095</u>	<u>\$ 1,567,917</u>
Liabilities:				
Due to others	\$ 1,654,135	\$ 860,638	\$ 946,856	\$ 1,567,917
Total liabilities	<u>\$ 1,654,135</u>	<u>\$ 860,638</u>	<u>\$ 946,856</u>	<u>\$ 1,567,917</u>
<u>GRANITE DRIVE</u>				
Assets:				
Cash and investments with fiscal agents	\$ 944,109	\$ 1,892,090	\$ 1,931,709	\$ 904,490
Taxes receivable	-	14,040	-	14,040
Total assets	<u>\$ 944,109</u>	<u>\$ 1,906,130</u>	<u>\$ 1,931,709</u>	<u>\$ 918,530</u>
Liabilities:				
Due to others	\$ 944,109	\$ 757,128	\$ 782,707	\$ 918,530
Total liabilities	<u>\$ 944,109</u>	<u>\$ 757,128</u>	<u>\$ 782,707</u>	<u>\$ 918,530</u>
<u>MONTE VERDE</u>				
Assets:				
Cash and investments with fiscal agents	\$ 364,742	\$ 711,572	\$ 744,251	\$ 332,063
Taxes receivable	1,091	2,481	2,183	1,389
Total assets	<u>\$ 365,833</u>	<u>\$ 714,053</u>	<u>\$ 746,434</u>	<u>\$ 333,452</u>
Liabilities:				
Due to others	\$ 365,833	\$ 222,406	\$ 254,787	\$ 333,452
Total liabilities	<u>\$ 365,833</u>	<u>\$ 222,406</u>	<u>\$ 254,787</u>	<u>\$ 333,452</u>

(Continued)

City of Rocklin
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2003

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
<u>STANFORD RANCH CFD #3</u>				
Assets:				
Cash and investments with fiscal agents	\$ 5,284,821	\$ 8,415,856	\$ 8,407,523	\$ 5,293,154
Taxes receivable	68,911	101,595	137,824	32,682
Total assets	\$ 5,353,732	\$ 8,517,451	\$ 8,545,347	\$ 5,325,836
Liabilities:				
Accounts payable	\$ 6,000	\$ 6,000	\$ 12,000	\$ -
Due to others	5,347,732	3,123,474	3,145,370	5,325,836
Total liabilities	\$ 5,353,732	\$ 3,129,474	\$ 3,157,370	\$ 5,325,836
<u>SOUTHEAST ROCKLIN CFD #4</u>				
Assets:				
Cash and investments with fiscal agents	\$ 624,445	\$ 957,600	\$ 991,499	\$ 590,546
Taxes receivable	5,103	12,663	10,206	7,560
Total assets	\$ 629,548	\$ 970,263	\$ 1,001,705	\$ 598,106
Liabilities:				
Due to others	\$ 629,548	\$ 339,073	\$ 370,515	\$ 598,106
Total liabilities	\$ 629,548	\$ 339,073	\$ 370,515	\$ 598,106
<u>BLUE OAKS INTERCHANGE CFD #7</u>				
Assets:				
Cash and investments with fiscal agents	\$ 412,426	\$ 1,303,173	\$ 1,036,486	\$ 679,113
Accounts receivable	52,618	52,619	105,237	-
Taxes receivable	261,721	263,198	523,442	1,477
Total assets	\$ 726,765	\$ 1,618,990	\$ 1,665,165	\$ 680,590
Liabilities:				
Accounts payable	\$ 52,618	\$ 150,121	\$ 202,739	\$ -
Due to others	674,147	424,800	418,357	680,590
Total liabilities	\$ 726,765	\$ 574,921	\$ 621,096	\$ 680,590
<u>CFD #5</u>				
Assets:				
Restricted pooled cash and investments	\$ 525,143	\$ 1,432,386	\$ 1,233,138	\$ 724,391
Taxes receivable	5,068	15,262	10,137	10,193
Total assets	\$ 530,211	\$ 1,447,648	\$ 1,243,275	\$ 734,584
Liabilities:				
Accounts payable	\$ 10,536	\$ 151,643	\$ 147,169	\$ 15,010
Accrued payroll	10,884	128,878	119,947	19,815
Due to others	508,791	704,648	513,680	699,759
Total liabilities	\$ 530,211	\$ 985,169	\$ 780,796	\$ 734,584

(Continued)

City of Rocklin
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2003

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
<u>WETLAND MAINTENANCE TRUST</u>				
Assets:				
Pooled cash and investments	\$ 45,475	\$ 48,692	\$ 46,737	\$ 47,430
Total assets	<u>\$ 45,475</u>	<u>\$ 48,692</u>	<u>\$ 46,737</u>	<u>\$ 47,430</u>
Liabilities:				
Due to others	\$ 45,475	\$ 3,217	\$ 1,262	\$ 47,430
Total liabilities	<u>\$ 45,475</u>	<u>\$ 3,217</u>	<u>\$ 1,262</u>	<u>\$ 47,430</u>
<u>CFD #6</u>				
Assets:				
Cash and investments with fiscal agents	\$ 180,571	\$ 391,856	\$ 390,059	\$ 182,368
Accounts receivable	-	15,000	-	15,000
Taxes receivable	4,390	7,685	8,781	3,294
Total assets	<u>\$ 184,961</u>	<u>\$ 414,541</u>	<u>\$ 398,840</u>	<u>\$ 200,662</u>
Liabilities:				
Due to others	\$ 184,961	\$ 186,837	\$ 171,136	\$ 200,662
Total liabilities	<u>\$ 184,961</u>	<u>\$ 186,837</u>	<u>\$ 171,136</u>	<u>\$ 200,662</u>
<u>Boroski Landfill Monitoring Trust</u>				
Assets:				
Pooled cash and investments	\$ 5,765	\$ 93,068	\$ 72,700	\$ 26,133
Interest receivable	1,800	-	1,800	-
Total assets	<u>\$ 7,565</u>	<u>\$ 93,068</u>	<u>\$ 74,500</u>	<u>\$ 26,133</u>
Liabilities:				
Accounts payable	\$ 3,712	\$ 67,999	\$ 70,432	\$ 1,279
Due to others	3,853	85,503	64,502	24,854
Total liabilities	<u>\$ 7,565</u>	<u>\$ 153,502</u>	<u>\$ 134,934</u>	<u>\$ 26,133</u>
<u>CFD #8</u>				
Assets:				
Cash and investments with fiscal agents	\$ 288,888	\$ 762,273	\$ 765,067	\$ 286,094
Taxes receivable	5,827	12,614	11,655	6,786
Total assets	<u>\$ 294,715</u>	<u>\$ 774,887</u>	<u>\$ 776,722</u>	<u>\$ 292,880</u>
Liabilities:				
Due to others	\$ 294,715	\$ 479,149	\$ 480,984	\$ 292,880
Total liabilities	<u>\$ 294,715</u>	<u>\$ 479,149</u>	<u>\$ 480,984</u>	<u>\$ 292,880</u>

(Continued)

City of Rocklin
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2003

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
<u>CFD #9</u>				
Assets:				
Cash and investments with fiscal agents	\$ 261,946	\$ 1,144,294	\$ 1,033,149	\$ 373,091
Taxes receivable	117,500	120,756	235,000	3,256
Total assets	\$ 379,446	\$ 1,265,050	\$ 1,268,149	\$ 376,347
Liabilities:				
Due to others	\$ 379,446	\$ 566,126	\$ 569,225	\$ 376,347
Total liabilities	\$ 379,446	\$ 566,126	\$ 569,225	\$ 376,347
<u>YOUTH SPORTS TRUST</u>				
Assets:				
Pooled cash and investments	\$ 2,534	\$ 2,745	\$ 3,354	\$ 1,925
Total assets	\$ 2,534	\$ 2,745	\$ 3,354	\$ 1,925
Liabilities:				
Due to others	\$ 2,534	\$ 219	\$ 828	\$ 1,925
Total liabilities	\$ 2,534	\$ 219	\$ 828	\$ 1,925
<u>TEEN RECREATION TRUST FUND</u>				
Assets:				
Pooled cash and investments	\$ 12,470	\$ 77,444	\$ 37,240	\$ 52,674
Accounts receivable	-	784	-	784
Total assets	\$ 12,470	\$ 78,228	\$ 37,240	\$ 53,458
Liabilities:				
Accounts payable	\$ 2,138	\$ 30,915	\$ 26,206	\$ 6,847
Due to others	10,332	64,147	27,868	46,611
Total liabilities	\$ 12,470	\$ 95,062	\$ 54,074	\$ 53,458
<u>PARK REPAIR AND DEVELOPMENT</u>				
Assets:				
Pooled cash and investments	\$ 201,074	\$ 319,522	\$ 218,400	\$ 302,196
Total assets	\$ 201,074	\$ 319,522	\$ 218,400	\$ 302,196
Liabilities:				
Accounts payable	\$ -	\$ 8,033	\$ 5,210	\$ 2,823
Due to others	201,074	107,672	9,373	299,373
Total liabilities	\$ 201,074	\$ 115,705	\$ 14,583	\$ 302,196

(Continued)

City of Rocklin
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2003

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
<u>SENIOR PROGRAMS TRUST FUND</u>				
Assets:				
Pooled cash and investments	\$ 2,623	\$ 27,176	\$ 2,622	\$ 27,177
Total assets	<u>\$ 2,623</u>	<u>\$ 27,176</u>	<u>\$ 2,622</u>	<u>\$ 27,177</u>
Liabilities:				
Due to others	\$ 2,623	\$ 24,554	\$ -	\$ 27,177
Total liabilities	<u>\$ 2,623</u>	<u>\$ 24,554</u>	<u>\$ -</u>	<u>\$ 27,177</u>
<u>ALL AGENCY FUNDS</u>				
Assets:				
Pooled cash and investments	\$ 931,496	\$ 1,806,379	\$ 1,361,103	1,376,772
Restricted pooled cash and investments	525,143	1,432,386	1,233,138	724,391
Cash and investments with fiscal agents	10,000,473	18,093,513	17,896,618	10,197,368
Accounts receivable	54,534	70,319	109,069	15,784
Interest receivable	3,002	-	4,802	(1,800)
Taxes receivable	487,021	577,372	970,448	93,945
Grants receivable	-	10,062	-	10,062
Total assets	<u>\$ 12,001,669</u>	<u>\$ 21,990,031</u>	<u>\$ 21,575,178</u>	<u>\$ 12,416,522</u>
Liabilities:				
Accounts payable	\$ 115,710	\$ 741,883	\$ 757,457	100,136
Accrued payroll	10,884	128,878	119,947	19,815
Due to others	11,875,075	8,384,143	7,962,647	12,296,571
Total liabilities	<u>\$ 12,001,669</u>	<u>\$ 9,254,904</u>	<u>\$ 8,840,051</u>	<u>\$ 12,416,522</u>

(Concluded)